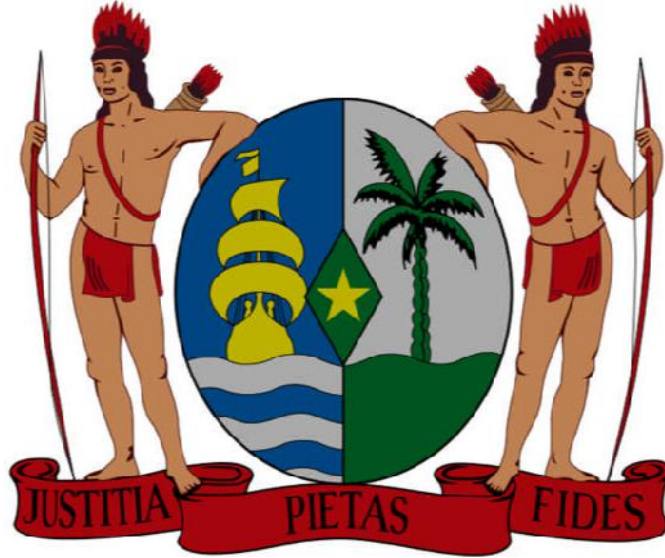




# POLICY DEVELOPMENT PLAN 2017-2021

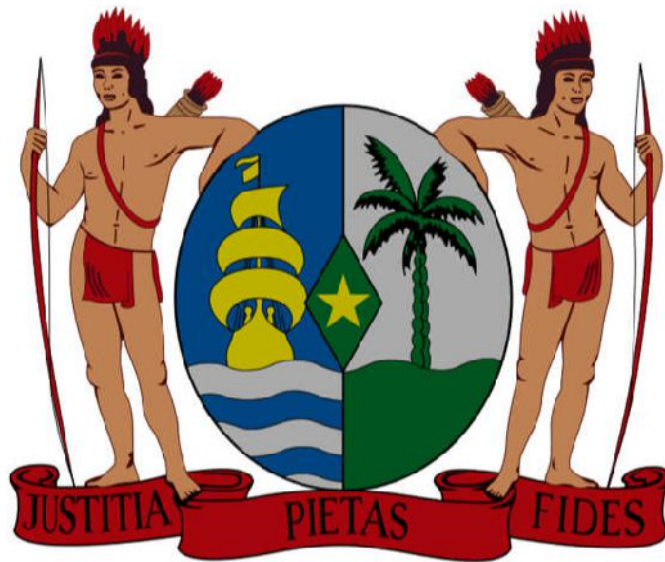


## Part 1

### Development priorities of Suriname

**By consensus, jointly building a diversified Surinamese economy, which is competitive in the competitive global market, has significantly more sustainable development, generates employment and equality, and keeps the environment livable**





**Government of the Republic of Suriname**

Publication of the *Stichting Planbureau* Suriname

[Suriname Planning Bureau Foundation]

January 2017

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## **Introduction**

In accordance with Article 40 of our Constitution, which prescribes that with due observance of the social and economic goals of the State, every five years a Development Plan must be adopted by law, the Development Plan running from January 1, 2012 up to and including December 31, 2016 is now being replaced by a new plan, valid for the planning period 2017 up to and including 2021.

Meanwhile, for about a year now, financially and economically our country has been in dire straits. For more than a year now, our national foreign exchange earnings have dropped sharply. As you have already learned, our export-oriented sectors, oil and gold, suffered a sharp decline in global market prices, while as a result of the decrease of the international demand for alumina, the multi-national Alcoa experienced such a drop in its turnover and exports, that it had to proceed to closure of subsidiaries worldwide, including its bauxite / alumina establishment Suralco in our country.

We are confronted with a *fait accompli*, in the course of which we have to keep our society running with a lot fewer public funds. As a result thereof we experience problems such as cutbacks and closure of companies, resulting in increasing unemployment and loss of income, leading to phenomena of social deprivation. The devaluation of our currency and the strongly fluctuating exchange rates were the main causes of high inflation – one of the most tangible effects of our economic crisis – and resulted in an ongoing drop in purchasing power of our population. As a result thereof, several public and private social services are difficult to access or have become inaccessible for the socially vulnerable and the middle class, which have to grapple with problems in our community.

These problems can be solved. Upon acknowledging that our current problems are serious, I continue to point out to you that collaboration, solidarity, dialogue and consultation constitute the basis of the solution. There will be a turnaround.

Together we will have to consider this and in concrete terms indicate what and how, to what extent and in which tempo we all will have to “cut our coat according to our cloth” in order to make our economy sufficient. In the first place we will have to roll up our sleeves and realize economic growth. Together we will have to work on realizing the necessary diversification of our economic basis, using the many possibilities provided by our nature and at the same time protect the environment. This will make our community socially and economically resilient, make our people more socially independent, ensure that our environment remains livable and again enhance our development.

The Development Plan 2017-2021, which you have in front of you, lays down the broad outlines of the development policy, along which this turnaround will be achieved in this financial and economic situation of our country, which indeed is not rosy, but certainly not a dead end.

Speaking from a clear insight into our typical qualities, this Development Plan is an integral plan of combating crisis, of recovery and of social and economic growth, with the necessary realism and with a sound and realistic hope for the future.

The President of the Republic of Suriname,

(DESIRÉ D. BOUTERSE)

## Technical Note

The Development Plan 2017-2021 is published in two parts. The first part, the substantial document, is the usual textual plan document. The second part in a sense, is a summary, which includes the matrices of the forty-nine development areas of the plan: the so-called SWOT<sup>1</sup>, the development matrices and the appendices set out the policy programs and projects implemented *up to now* by the line ministries and other agencies, the estimated costs and a time schedule for implementation over the five years, per development goal and outcome. This part must be an instrument especially for the policy-makers and planning experts of line ministries for the further elaboration in policy programs and projects, project management, monitoring and evaluation. This version is meanwhile also available in data-base-format, which offers a range of possibilities for policy development, monitoring and analysis.

In preparing this development plan, the method of strategic planning was started with. Accordingly, the Development Plan 2017-2021 (OP –*Dutch abbreviation*– 2017-2021) must be seen as providing a framework for the policy programs and measures in the coming five years: the plan lays down where Suriname wants to be in 2021, and considering where we are now, how to arrive at that destination. In a technical sense it formulates the development goals and outcome for at least the coming five years and states the principles that will be followed in the development process. Hence, it is a flexible framework, which, if followed, can accomplish that various actors in the private and public sector, which operate in different branches and regions in the country, are still able to jointly achieve the same goals.

If asked what the OP 2017-2021 envisages, we might say that there are two interrelated main goals: 1) Strengthening the development capacity of our country and 2) achieving sustainable development by combining economic and social development in such manner and harmonizing it with such responsible use of the environment, that current growth does not restrict the future development opportunities or makes these impossible. The other side of the increase of income from the mineral sector ever since 2005 has been an increased dependence on this sector and the almost paralyzing vulnerability currently felt by the heavy decline of these earnings, illustrates the importance of a sustainable growth strategy.

The choice for sustainable growth as policy framework creates big and ongoing challenges in the plan development, as a fundamental policy choice is concerned, which has big and practical consequences and often requires the elaboration of alternative options. The same applies to the three strategic preliminary questions (paragraph II.2), stated in the OP 2017-2021. Not only because the answers thoroughly influence the choice for policy programs and projects, but also because they determine the ultimate development outcomes.

In terms of a result-based planning and policy approach, the OP 2017-2021 indicates the development goals and the outcomes for 49 as important identified “broad policy areas”. The concrete results, activities, costs and the timeline, which would have to complement a result matrix in these areas, have not been developed in the OP, because:

1. In many policy areas there is a lack of technical preparation, required to take responsible strategic or policy decisions and sometimes even the strategic orientation. In this respect required studies are concerned (data collection and analysis) and initial strategic/policy formation. As a result of the decline of the national planning machinery, especially this function of planning, conducting preliminary studies and technical preparation in order to take policy decisions, has almost completely eroded.
2. The line ministries, sector institutions and local administrative agencies must indicate the concrete outputs and activities, required to achieve the development goals and outcomes. The timeline and necessary resources are also requirements to complete the result matrix. This is the basis of a decentralized concept of planning, promoted by the Planning Bureau and the aim is to actively engage the stakeholders, who operate in the relevant sectors and regions, in this policy formation process.

---

<sup>1</sup> A matrix in which per area, the Strengths, Weaknesses, Opportunities and Threats are identified



3. Engaging the stakeholders in the various policy areas is seen as a prerequisite for the successful implementation of the strategic plan. An almost complete break with the development paradigm that the Government will develop the country, is required. The Government will, without a doubt, have to play a significant role, but each Surinamese must contribute as an individual, member of a social group he/she is a part of: as an employee, entrepreneur, consumer, etc. Employers, employees, members of trade unions, NGOs, must all realize that their strategy, plans and actions must also be based on the national development strategies, which were developed and adopted by consensus. The strategic plan is not an obligation that imposes restrictions, but rather foreknowledge concerning the anticipated conduct of the Government and other citizens, as regards to which they can take responsible actions. In any case, they can call to account the Government with regard to these development goals, principles and values, which are also the foundation on which public-private partnerships in Suriname will be based.

So the OP 2017-2021 is not a detailed technical elaboration of our development, but must also facilitate the same. Hence, point of departure for implementation is that given the consensus about our development, persons, groups, organizations and institutions develop goals, strategies and plans in various areas and proceed to action. The OP 2017-2021 must:

- 1) **Serve as a guide.** It is the consensus among Surinamese about what we want to be, our challenges and opportunities, the goals that we set and the principles that guide us when we take actions to reach our goals.
- 2) **Accommodate.** The strategy must indicate how persons, companies and groups will be facilitated without discrimination or nepotism and how/which regulations must protect man, environment and the economy.
- 3) **Mobilize and direct.** The OP 2017-2021 lays down the vision on development for at least this period. The strategy formulates the national goals and as a result it is:
  - a) the standard according to which the planning, administrative and statistical machinery of the government develops, monitors and analyses policy.
  - b) the security on which the business community, the trade unions and the private organizations can enshrine their own strategies and actions in the belief that they are part of the national development effort.
  - c) the source of information for investors, bilateral and multilateral partners who contribute to our development efforts in one way or another. Our development strategy should give them the information they need to gear their strategy towards our country.

To conclude, with regard to the implementation of the Development Plan 2017-2021, it must be stated that on grounds of the experience with previous plans, many people may respond quite sceptically. The Planning Bureau considers this issue as one of the many development challenges, but in particular related to the reform of the National Planning Machinery (see chapter XII in this respect). Yet, it is opportune to bring up for discussion the following points:

- The elements of the planning machinery relevant for the plan implementation, monitoring and evaluation have gravely weakened in the past decades. Strengthening the plan implementation capacity will have to start from the principle, which reads “don’t just rebuild, build it better”. The reform of the National Planning Machinery is a prerequisite for the OP 2017-2021 to be successful.
- Adoption of methods and procedures for plan and policy formulation is part of the reform of the political and administrative machinery. An official start must be made with the long-term process, in which all elements of the public sector shift to the common methods for the elaboration of planning and policy: strategic planning and result-oriented budgeting, management, monitoring and evaluation. This method is quite commonly applied by governments, NGOs, companies and international organizations. Application requires standardized processes, and most of the time the adoption of Project Cycle Management. All this also requires more transparency of administrative and/or management processes, including policy choices, power of attorney and the management of pre-determined funds. This modernization of the planning and policy development processes in the Public Sector,

are entirely in keeping with the measures of the Stabilization and Recovery Plan, such as modernization of the Government Accounts Act and the Procurement Act. Just as the Anti-Corruption legislation, together with the technical reforms mentioned in this document, these acts will cause the Public Sector to be more transparent and less susceptible to corruption.

- Quickly and successfully strengthening the development capacity is crucial for the implementation of this development plan and emphasis will have to be laid on capacity-building of key institutions and key figures.

The Planning Bureau is truly appreciative of everyone who, in any manner whatsoever, contributed to the drafting of the Development Plan 2017-2021.

The Director of the Suriname Planning Bureau Foundation

Drs. R.G. Simons

## List of abbreviations and concepts

<b>Abbreviation /</b>	<b>Explanation Concept</b>
ABS	Algemeen Bureau voor the Statistiek – General Statistical Office
ADRON	Anne van Dijk Rijst Onderzoekscentrum [Research Center] Nickerie
AEZ	Agro Ecologische Zonering - Agro Ecological Zoning
AMS	Alcoa Minerals of Suriname
ASLR	Accelerated Sea Level Rise
ASP	Agrarisch Sector Plan - Agrarian Sector Plan
BBP	Bruto Binnenlands Product – Gross Domestic Product [GDP]
BCRC	Basel Covention Regional Centre for the Caribbean Region
BGA	Bureau Gender Aangelegenheden - Bureau for Gender Affairs
BHP	Broken Hill Proprietary Billiton
BMS	Billiton Maatschappij Suriname - Billiton Company Suriname
BNP	Bruto Nationaal Product – Gross National Product [GNP]
BTO	Beroeps Technisch Education – Vocational Technical Education
Caricom	Caribbean Community & Common Market
Cevihav	Centrale Visaanvoer Haven Suriname – Central Fish Supply Port Suriname
CBvS	Centrale Bank van Suriname – Central Bank of Suriname
CCT	Conditional Cash Transfers
CELOS	Centrum voor Landbouwkundig Onderzoek in Suriname - Center for Agricultural Research in Suriname]
CLAD	Centrale Lands Accountants Dienst - National Audit Department
CSME	Caricom Single Market and Economy
CSNR	Centraal Suriname Natuur Reservaat – Central Suriname Nature Reserve
DNA	De Nationale Assemblee – The National Assembly
ECD	Early Childhood Develoment
EEZ	Exclusive Economic Zone
EHBO	Eerste Hulp Bij Ongelukken – First Aid
EITI	Extractive Industries Transparency Initiative
EPA	Economic Partnership Agreement
ESIA	Environmental and Social Impact Assessment
ESP	Energy Sector Plan
EU	European Union
FAO	Food and Agriculture Organisation
FDI	Foreign Direct Investments
FTAA	Free Trade Area of the Americas
Fe	Ferrite (Iron)
GEF	Global Environmental Facility
ha	hectare
HACCP	Hazard Analysis and Critical Control Point
HIV	Human Immunodeficiency Virus
IADB	Inter American Development Bank
ICT	Information and Communication Technology
IDCS	Investment and Development Corporation Suriname
IICA	Inter-American Institute for Cooperation on Agriculture
IPCC	Intergovernmental Panel on Climate Change
INVESTSUR	Instituut voor Bevordering van Investeringsen in Suriname – Institute for the Promotion of Investments in Suriname
IsDB	Islamic Development Bank
IKA	Integraal Child and Adolescentenbeleid – Integral Child and Adolescents Policy
IIRSA	Interamerican Initiative for Road Infrastructure in South America
JORC	Joint Ore Reserves Committee

GLIS	Grond en Land Informatie Systeem – Ground and Land Information System
GPS	Global Positioning System
LVV	Ministry of Landbouw Veeteelt en Visserij – Ministry of Agriculture, Animal Husbandry and Fisheries
KMO	Kleine and Middelgrote Ondernemingen – Small and Medium-sized Enterprises [SME]
KSMH	Kaloti Suriname Mint House
M & E	Monitoring & Evaluation
MDG	Millenium Development Goals
MERCOSUR	Mercado Común del Sur (Common Market of South America)
MOP	Meerjaren Ontwikkelings Plan - Long-Term Development Plan
MTP	Middellange Termijn Plannen - Medium-long Term Plans
NIMOS	Nationaal Instituut voor Milieu en Ontwikkeling in Suriname - National Institute for Environment and Development in Suriname
NVB	Nationaal Vervoers Bedrijf – National Transport Company
NTFPs	Non-Timber Forest Products
OGS	Ordering Goud Sector Suriname - Restructure Suriname Gold Sector
PICP	Paranam Industrial and Commercial Park
R & D	Research and Development
REDD	Reduced Emissions on Deforestation and Degradation
R-PP	Reddplus Readiness Proposal
RGB	Ministry of Ruimtelijke Ordening Grond en Bosbeleid – Ministry of Spatial Planning, Land and Forest Policy
RGM	Rosebel Gold Mines
RvM	Raad van Ministers – Council of Ministers
SAIL	Suriname American Industries Limited
SDG's	Sustainable Development Goals
SLRA	Sea Level Rise Above...
SNTA	Suriname National Training Authority
SPS	Stichting Planbureau Suriname – Suriname Planning Bureau Foundation
STS	Stichting Toerisme Suriname – Suriname Tourist Foundation
SUV	Suriname Vision
SWSMP	Suriname Water Supply Master Plan
TAS	Telecommunication Authority Suriname
TBO	Technisch Beroeps Education – Technical Vocational Education
TIP	Trafficking In Persons
TOC	Total Organische Koolstof – Total Organic Carbon
TOV	Technisch Education and Vaktraining – Technical Education and Vocational Training
UN	United Nations
UNASUR	Union the Naciones Suramericanas
UNDP	United Nations Development Program
UNEP	United Nations Environmental Program
UNFCCC	United Nations Framework Convention on Climate Change
USD	United States Dollar
VMS	Vessel Monitoring System
VSA	Verenigde Staten van Amerika – United States of America [USA]
WKW	Water Kracht Werken – Hydropower Works



**Part 1: Baseline and Strategic  
Approach for the planning period  
2017-2021**

# Chapter I: Baseline

## I.1. Macro-economic considerations

### I.1.1. International Economic Developments 2012-2016

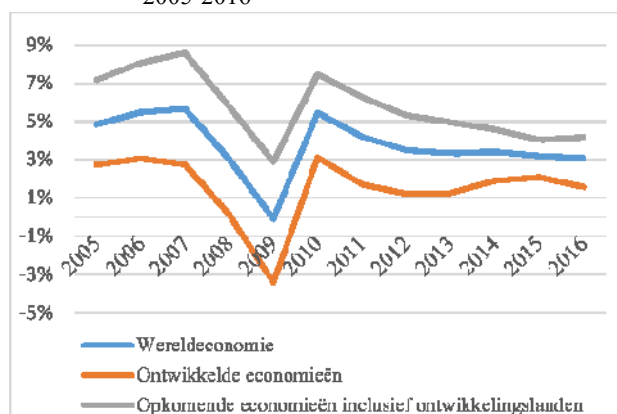
In the past decade, almost all countries were confronted with serious effects of the global financial crisis of 2008-2009. This financial crisis was caused by the mortgage market for real estate in the United States of America (USA) and Europe, with as its all-time low, the collapse of Lehman Brothers in Wall street. The direct causes thereof were insufficient financial regulations, high remuneration practices of bank managers and abundant money creation, due to an expansive monetary and government policy in the West, resulting in abundant credit provisions to the mortgage market in the USA. Structural causes in this crisis are an international imbalance in the savings and investments and a growing income inequality in the world.

Ever since the nineties, the countries in Central and Eastern Europe, the USA, but also Turkey and Spain, accrued large balance of payments deficits, while on the other hand, the East-Asian and raw material producing countries were accruing their foreign currency reserve. This global savings and investment imbalance entailed stronger growing income in the West compared to the rest of the world. Due to the growing income, the demand for credits to finance consumption patterns and investments in the mortgage market for real estate increased substantially, which eventually resulted in the financial crisis.

After the crisis, the interest rates in the West increased, which led to a decline in investments, consumption patterns and the creation of employment in the developed countries, resulting in decreasing economic growth percentages in the countries.

After this economic recession, resulting in a reduction of the global economy by 0.09 percent and of the developed countries by 3 percent in 2009, the world production slowly gets going and annually amounts to 3 percent in the period of 2012-2016 (see graphs below).

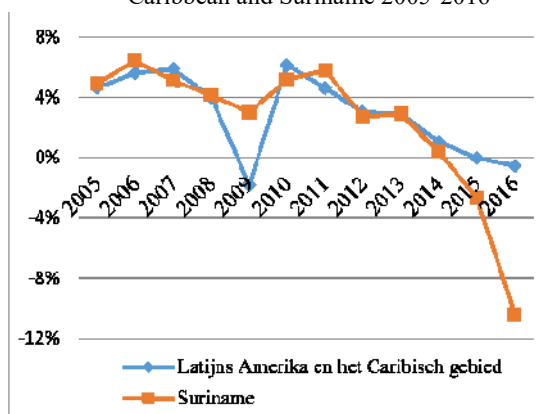
Graph I.1.1.1 International Economic Growth 2005-2016



Source: IMF, World Economic database, October 2016, ABS, SPS Adapted by the *Stichting Planbureau Suriname* (SPS)

Graph: Global economy - Developed economies - Emerging economies inclusive of developing countries  
Graph: Latin America and the Caribbean

Graph I.1.1.2 Economic Growth Latin America, Caribbean and Suriname 2005-2016



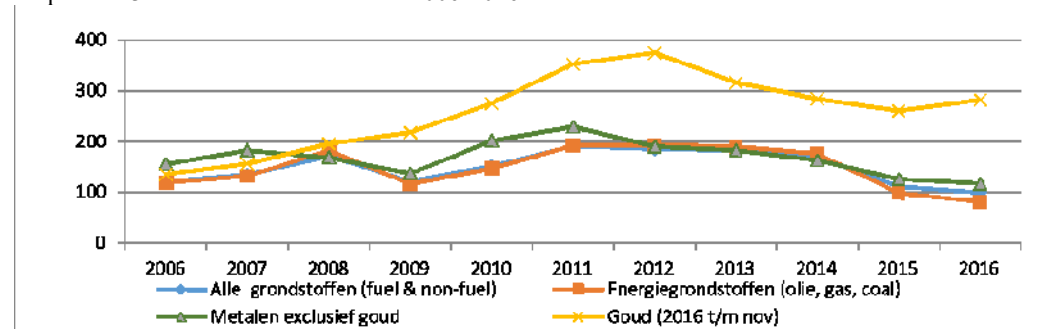
Source: IMF, World Economic database, October 2016, ABS,

The economic growth of the developed economies in this period is about 1.5 percent, while that of the emerging economies, including the developing countries, amounts to 5 percent on average on an annual basis. Within the emerging economies, the BRICS-countries (Brazil, Russia, India, China and South Africa)<sup>2</sup> take in a significant spot.

In 2013 the global economy was confronted with a commodities crisis, resulting from a decreasing demand due to the moderately growing developed economies (USA and Europe) and the transformation of the Chinese economy, the world's largest consumer of commodities. China is confronted with declining growth figures (about 11 percent on an annual basis in 2003-2011 compared to 7 percent in 2012-2015), a production sector which currently rather aims at domestic consumption than at the export and services sector, which emerges more strongly than the industrial production. In particular the emerging commodities producing economies, especially in Latin America but also in Suriname, are faced with dropping global market prices.

Between mid 2014 and 2015, the prices of most of the commodities dropped by about 50 percent (see graph below). The prospects of the International Monetary Fund (IMF) show that in the medium-long term the prices for commodities will slowly recover by about 3 percent per year<sup>3</sup>. The prospects of the World Bank (WB) as regards the gold price in the medium-long term reflect an average drop of about 3 percent. These prospects are based on the expectation that the American interest rate on the federal reserve fund will gradually rise in the future and that the American economy will further recover with a strong US dollar. In the past three decades it turned out that the gold price temporarily reacts to international crisis situations by increasing. In most cases the price reacts to speculative activities. Crisis situations in the future will cause the international gold price to rise.

Graph I.1.1.3 Price index Commodities 2006-2016



Source: IMF, WEO-database, October 2016, [www.kitco.com](http://www.kitco.com). Adapted by the SPS

Graph: All commodities [fuel and non-fuel] Energy commodities [oil, gas, coal]  
Metals exclusive of gold Gold [2016 through November]

According to the Organization of Economic Cooperation and Development, the emerging economies and developing countries – particularly those in Asia – will recover more quickly from the crisis than the developed countries. The long-term prospects are that by 2030 the emerging economies and developing countries will account for about 60 percent of the world Gross Domestic Product (GDP) and about 45 percent of the world trade will be based on the trade relationships within this group.<sup>4</sup>

The effects of these developments will among other things include increased income and quality of life for the entire world as a result of an increase of the productivity and effectiveness of production

<sup>2</sup> The growth in BRICS countries in the reference period is also on the decline. According to the IMF the economy of Russia and of Brazil is shrinking 2014-2015, while the economic growth of South Africa is very marginal in these years. Only China and India grow strongly in 2012-2016 by an average of 7.3 percent and 6.9 percent.

<sup>3</sup> This average growth is based on the projection of the price index for all "fuel and non-fuel" commodities for 2017-2021 of the World Economic Outlook database from the IMF in October 2016.

<sup>4</sup> [www.tradeforum.org](http://www.tradeforum.org).

systems, while transport, communication and trade costs will significantly decrease. On the other hand this development will also contribute to an even bigger inequality within the various layers of society. The cause thereof is the disruption of labour markets, due to the substitution of workers by machines and automation processes over the entire economic activities and an increased gap between capital and labour income.

The organization of the Government, but also of all parts of the society will change drastically. The impact of this digital era is currently incalculable. These upcoming changes must be closely followed by the Government and the private sector, and must be part of our long-term vision to direct processes and structure our society as a whole.

## **I.1.2. National Economic Developments 2005-2016**

### **I.1.2.1 Production and Income<sup>5</sup>**

The developments within the national economy and the economic growth are mainly driven by the activities in the mineral sectors gold and oil, particularly investments and exports. In the period of 2005-2016 the development within the national economy is characterized by increase and decrease in the growth, depending on the developments at the global market and the government policy. In the period of 2012-2016, from 2013 on there is a decreasing growth to 0.4 percent in 2014 and even a contraction of the economy of 2.7 percent in 2015 and an estimated 10.4 percent in 2016 (see graphs I.1.2.1 and I.1.2.1).

The growth in the period 2012-2016 is mostly determined by the less favourable developments of the world market prices of our key commodities, particularly gold and oil. The mineral exports accounted for about 88 percent of the total exports of goods in 2005-2015. The main reasons for the contraction in 2015 and 2016 are falling world market prices for gold and oil and the complete dismantling of the aluminium industry in November 2015<sup>6</sup>, as a result of which the income dropped substantially and therefore also the domestic consumption and the investments Government and private sector. Because of the declining revenues from the mineral sector, for some years now there has been a deficit on the current account. The monetary system becomes unbalanced due to the misalignment of the capacity to import and the foreign exchange earnings of the country, resulting in the devaluation of our currency in 2015 and 2016.

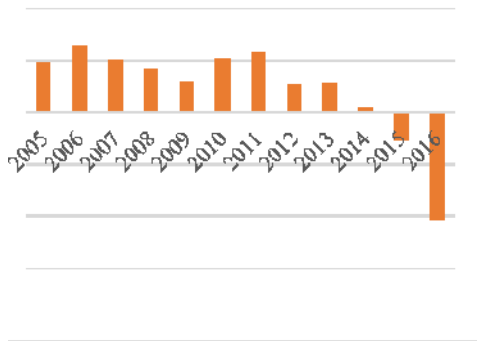
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<sup>5</sup> Gross National Income (GNI) is equal to the Gross Domestic Product (GDP) plus net factor income from abroad. The disposable income is equal to GNI plus net foreign transfers.

<sup>6</sup> In November 2015 the Alcoa Inc. stopped its operations in Suriname. They have agreed with the Government that in 2016 the company will make investments to rehabilitate the mined areas while the negotiations between the Government and Alcoa are ongoing with regard to future investments in the aluminum industry

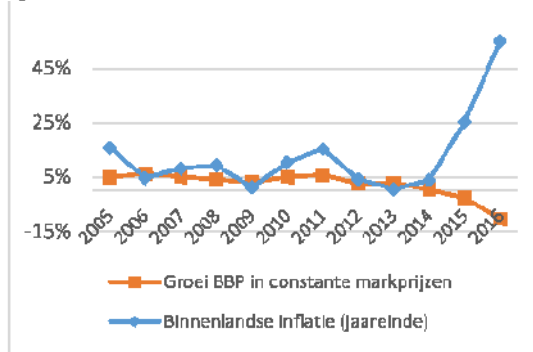


Graph I.1.2.1 GDP growth in constant prices



Source: ABS, adaptation SPS

Graph I.1.2.2 Growth GDP and Inflation 2005-2016

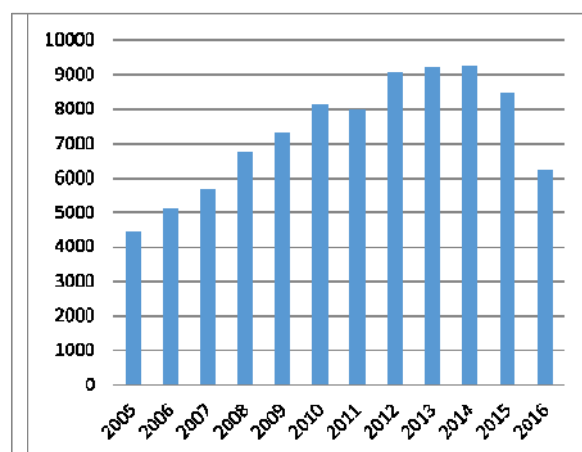


Source: ABS, adaptation SPS

Graph: Growth GDP in constant market prices.....Domestic inflation [year-end]

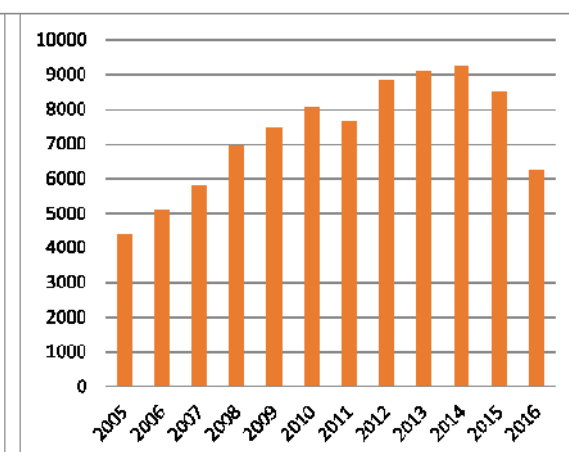
Graph I.1.2.3 GDP per capita in USD 2005-2016

Source: ABS, 2016 SPS, adaptation SPS



Graph I.1.2.4 Disposable income per capita in USD 2005-2016

Source: ABS, 2016 SPS, adaptation SPS



The GDP and disposable income per capita show an upward trend in 2012-2014 (graphs I.1.2.3 and I.1.2.4). The disposable income per capita is rising initially by 5 percent, from approximately USD 8,836 in 2012 to USD 9,242 in 2014 and then declines (40 percent) to reach US \$ 5,525 in 2016 due to the declining national income and the depreciation of the exchange rate. As a result of the disappearance of the bauxite industry in 2015 and the contraction in the economy in 2015-2016, the unemployment increased from approximately 10.6 percent in 2012 to an estimated 19 percent in 2016.

### I.1.2.2 Role Mineral Sector in the Economy

The minerals sector - comprising mining and the processing of bauxite, oil and gold to semi-finished products - traditionally is one of the most important sectors of our economy. The share of this sector in the GDP in 2008-2015 dropped by almost 50% from 28.5 percent in 2008 to around 15 percent in 2015. The complete cessation of all activities of the bauxite industry in November 2015 and the decreasing production of the other subsectors contributed to the significant declining share in the GDP and the negative growth rate in 2015 and 2016 (see table I.1.2.1).

Table I.1.2.1 Core indicators of the Minerals Sector 2008-2016

	2008	2009	2010	2011	2012	2013	2014	2015	2016*
Real growth (percent)	9.5	-12.1	15.7	0.2	-11.7	3.8	-7.5	-5.5	-6.9
Share in GDP (percent)	28.5	22.3	24.8	23.3	25.1	21.1	17.9	11.0	15.0
Government revenues (in mln.SRD)**	813.7	810.0	689.5	1,228.5	1,399.7	1,058.0	836.6	274.5	450.0
Total export value (in mln. USD)	1,615.6	1,338.4	1,816.1	2,357.8	2,434.2	2,182.7	1,849.3	1,305.7	1,202.5
Balance commodities minerals sectors in mln USD	NA	NA	1650.8	1973.1	2096.6	1770.9	1493.9	741.6	980.4
Investments (in mln USD)***	228.5	231.9	175.7	303.2	619.9	517.2	432.2	870.3	398.0

Source: ABS, SPS, CBvS, Ministry of Finance, Bauxite Institute Suriname (BIS), Suralco, Staatsolie, IAMGOLD

\*Provisional estimate SPS, \*\*Government revenues are tax and non-tax revenues,

\*\*\*Investment figures are based on the information of the companies and institutions in the sector, supplemented by estimates by SPS.

The export earnings from the minerals sector account for about 88 percent of the total export earnings from goods, which equates to an average of approximately USD 2 billion per year in 2008-2015 (see also table 12b of the statistical annex), while the visible balance from the minerals sector in the period 2010-2015 amounts to approximately USD 1.5 billion. The contribution of this sector to government revenues in the form of tax and non-tax revenues (royalties, dividends, etc.) is hugely decreased by approximately 67 percent in 2015. In 2016 there was an increase of about 32 percent.

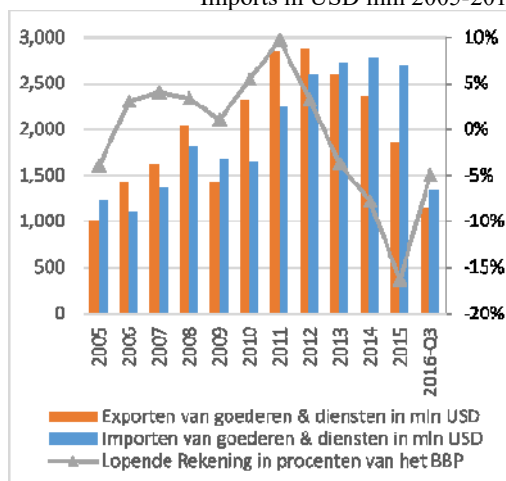
During 2012-2015 the investments in the sector show a rising trend, due to investments by Staatsolie Maatschappij Suriname NV (Staatsolie – Suriname State Oil Company) and this in the expansion of the oil refinery, exploration activities (on-, near- and offshore areas) and in the gold sector.

It is estimated that the investments in the construction of the Merian-mine by Newmont Suriname cost approximately USD 850 million during this period. The mine was completed in the third quarter of 2016. The total investment in the manufacturing sector contributed in 2016 to around USD 400 million.

Within the gold sector, there are large and small-scale mining operations. In 2010-2015, the average share of production and export volume from the small mining operations accounted for approximately 64 percent and 63 percent of the total sector. Because the activities of gold mining in the small-scale mining mostly take place in the informal sector, the revenues for the government are very marginal and consist primarily of royalties, which are paid by the purchase of gold. The fall in the world market prices for our main export products, gold and oil<sup>7</sup> ever since 2013 and the decrease in the production of alumina also affected the balance of payments. The current account of the balance of payments shows a negative balance from 2013, rising to around 16 percent of the GDP at year-end 2015.

In the period 2005-2010 both the exports and imports increased, except in 2005 and 2009 (crisis years). In the period 2011-2016 there is a stronger growth of the imports relative to the exports (graph I.1.2.5). A rise in the imports in 2013-2014 can be attributed to inputs for the construction of the expansion of the oil refinery of Staatsolie and service transactions for the benefit of the mining sector. Imports into Suriname have limited elasticity and we cannot produce everything ourselves. Suriname has a higher proportion of imports than Guyana and Trinidad in terms of the world trade (see Table IV.6.2). The local production capacity is not sufficient to replace the imports.

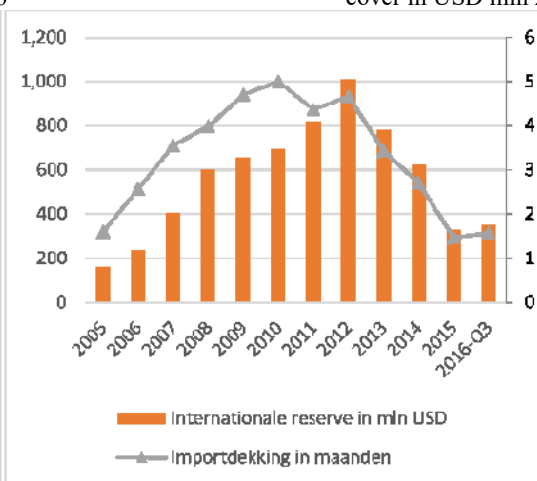
Graph I.1.2.5 Balanced current account, exports and Imports in USD mln 2005-2016



Source: CBvS, adaptation SPS

Graph: Exports of goods and services in mln USD  
Imports of goods and services in mln USD  
Current account in percentages of the GDP

Graph I.1.2.6 International reserve and import cover in USD mln 2005-2016



Source: CBvS, adaptation SPS

International reserve in mln SRD  
Import cover in mln USD  
Import cover in months

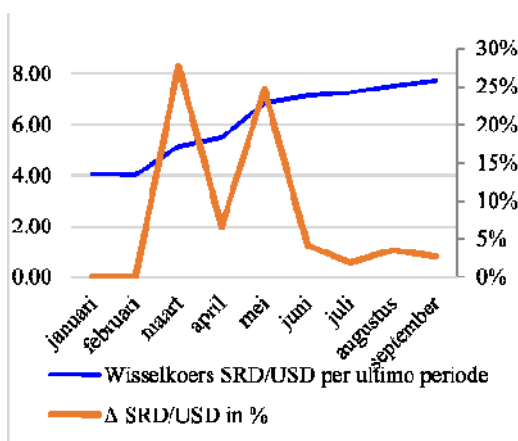
The figures above show that the foreign exchange reserve shows the same trend as the balance on the current account. Up to and including the third quarter of 2016 the deficit on the current account

<sup>7</sup> The decline in the world price of gold in 2013-2015 averaged 15, 10 and respectively 8 percent and crude oil in 2014-2015 about 7.5 and 42 percent respectively.

amounts to about 5 percent of the estimated GDP in current prices for this year<sup>8</sup> (see graph I.1.2.5). Due to the ever-increasing deficits in the current account 2011-2015, which are not sufficiently compensated by foreign net investment income on the financial account of the balance of payments, the international reserve position of Suriname decreased significantly. Persistent deficits on the current account deplete foreign exchange reserves. The highest level of the international reserves was USD 1008.4 million in 2012. At year-end 2015, the height of the international reserves is USD 330.2 million, a decrease of approximately 67 percent compared to 2012. As at September 2016 the international reserve amounts to \$ 350 million, which represents an import cover of 1.6 months (graph I.1.2.6). The international reserve at the end of September 2016, including the first tranche balance of payments support from the IMF as part of the "Stand-by Arrangement Program", which the government has entered into in May with this international financial institution.

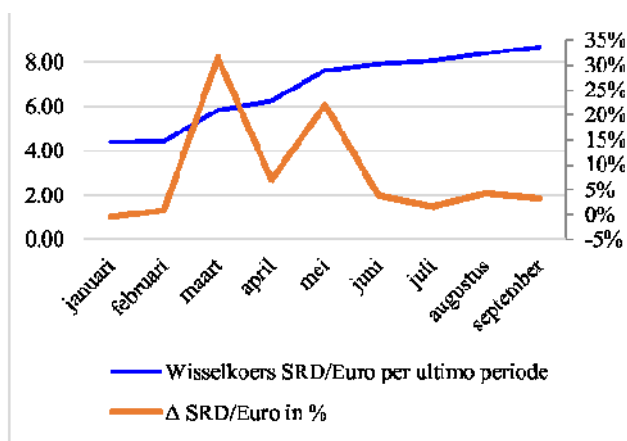
### I.1.2.3 Monetary Developments: Exchange rate and Inflation

In January 2011 the official exchange rate of the SRD vis-à-vis the USD depreciated by 20.5 percent. A decrease in the foreign exchange supply from 2013 also put the official exchange rate under pressure. Through foreign exchange intervention, the Central Bank of Suriname (CBvS) initially sought to maintain the exchange rate. Due to the increasingly declining international reserves and the increasing demand for foreign currency, the official exchange rate was again depreciated on November 18, 2015 by approximately 20.5 percent. As of May 10, 2016, after the implementation of currency auctions for about two months, the CBvS proceeded to a free market for foreign exchange and the establishment of a floating exchange-rate system; the exchange ratio will be determined by demand and supply (see figures below).



Graph I.1.2.7 Official exchange rate movements SRD against USD 2016

Source: CBvS, adaptation SPS



Graph I.1.2.8 Official exchange rate movements SRD against Euro 2016

Source: CBvS, adaptation SPS

Due to the depreciation of the exchange rate and a 70 percent increase in tax on the oil price, the domestic inflation was 15.3 percent in 2011 (see graph I.1.2.2). In the following years, the inflation rate declined, to increase again in 2015 to 25.1 percent, due to the price adjustments for utilities (electricity and water) and the depreciation in November. The level of inflation in 2015 was also boosted by an increase in the money supply (M2) by about 12 percent versus a declining production. This increase is mainly due to loans granted by the CBvS to the Government and also the increased lending to individuals and families. The average inflation rate for 2016 is estimated at 55 percent, mainly because of the unstable exchange rate and also the adjustment of the tax on the petrol price and the tariffs for utility services. The high inflation rates have resulted in 2015 and 2016 to a greatly reduced purchasing power of wage earners and welfare recipients.

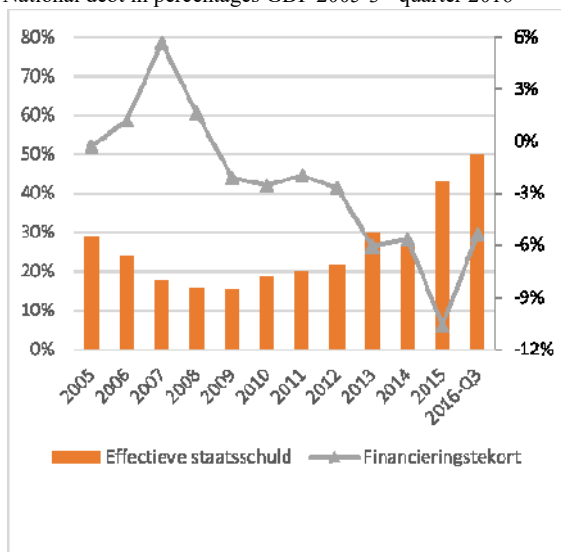
### I.1.2.4 Public Finances and National Debt

The public finance deficit of the government as a percentage of GDP grew from 2.7 percent in 2012 to about 11 percent in 2015. A decrease in the revenues from the minerals sector in 2013-2015 to about 70 percent in 2015 and from the other sectors, because of the declining and negative growth on the one hand, and rising spending on the other hand, has led to the huge financing gaps in the

<sup>8</sup> The estimated nominal GDP at current market prices is estimated by the Planning Bureau at SRD 22552.4 mln.

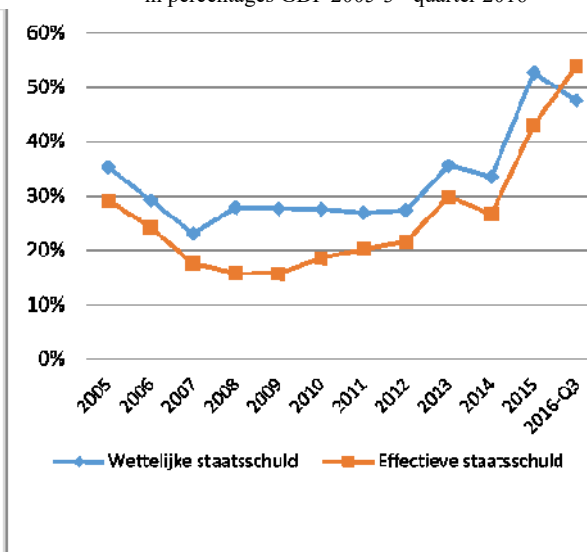
relevant period (graph I.1.2.9). Compared to 2014, government revenues dropped by 9 percent in 2015, while the expenses increased by approximately 10 percent. This increase is due to an increase in the personnel expenses due to an increase in the number of employed people in the public service, rising material costs and subsidies from the government.

Graph I.1.2.9 Public finance deficit and Effective National debt in percentages GDP 2005-3<sup>rd</sup> quarter 2016



Source: Ministry of Finance, Bureau for the National debt, adaptation SPS

Graph I.1.2.10 Legal and Effective National debt in percentages GDP 2005-3<sup>rd</sup> quarter 2016



Source: Ministry of Finance, CBvS, Bureau for the National debt, adaptation SPS

The rising budget deficits result in rising effective National Debt<sup>9</sup>, in the course of which the debt-GDP ratio rose from 22 percent in 2012 to 43 percent in 2015 (see graph I.1.2.10). In 2015 the effective debt-GDP ratio rose by 16.4 percent compared to 2014. The public finance deficit in 2015 was for about 85 percent covered by domestic resources and this mainly through advances granted and a long-term loan from the CBvS.

Based on the estimated GDP for 2016, up to and including September 2016, the public finance deficit amounted to about 5.4 percent and is mainly covered by foreign funds. In this period the effective debt-GDP rose by 54 percent due to the exchange rate movements in 2016 and increasing foreign and domestic debts.

Compared to 2014, the statutory debt-GDP ratio increased in 2015 by 19 percent to 53 percent. Up to and including the third quarter of 2016, the ratio dropped to about 48 percent. The drop in 2016 is the result of the adjustment of the statutory gross debt definition and because the exchange rate fluctuations in 2016 were not included in the calculation of the statutory national debt in the relevant year.

In 2016, Suriname issued the first securities on the international money and capital markets. In April, USD 86 million senior notes (internationally traded securities) were issued with a maturity of 1.5 years and an interest rate of 8.57 percent. In October, the Government again proceeded to attract funding through a bond loan of USD 550 million on the international capital market at an interest rate of 9.25 percent and a maturity of 10 years. Of the released funds, USD 256 million was

<sup>9</sup> The effective National debt is based on international standards for the compilation of debt statistics, in the course of which only the outstanding drawn resources and called guarantees are counted as debt, while foreign currency debt with the exchange-rate of the time to which the debt relates, are translated in the local currency. With the statutory debt position, up to May 2016 also the unrecognized contracted debt and uncalled guarantees are included in debt. In May 2016 the National Debt Act (SB 2002) was amended and these two parts were removed from the legal definition of gross national debt. The legal exposure limit for the total national debt amounts to 60 percent (35 percent for the foreign debt and 25 percent for the domestic debt) with the latest nominal GDP figure of the ABS. According to the National Debt Act, the conversion of foreign currency debt must be effected in the local currency with the exchange rate of the period to which the most recent GDP figure of the ABS relates. The debt-to-GDP ratios of legal debt over 2015 and 2016 are based on the GDP over 2015 from the ABS, while the ratios of the actual debt in 2016 is based on the estimated nominal GDP figure over 2016 of the Planning Bureau, representing around SRD 22,552.4 million.

used to refinance the bond loan of Staatsolie and USD 88 million to refinance the previously issued senior notes by the government.

Because of the economic downturn as a result of the external shocks in the recent period, in May 2016 the Government proceeded to the signing of a "Stand-by Arrangement Program" with the IMF in order to realize a gradual stabilization of the economy. The Government outlined a program for 2016-2018 for the implementation of necessary reforms with balance of payments support for an amount of USD 478 million. The first tranche of USD 81 million was deposited with the CBvS in June. Apart from the IMF, other multilateral organizations such as the World Bank (WB), the Inter-American Development Bank (IDB) and the Caribbean Development Bank (CDB), also pledged funding to bridge this transition period. Within this program, some tax revenue-increasing measures must be implemented, while the subsidies for the utilities of water and electricity must be phased out.

## **I.2 “Commodity Crisis” and “Great Slowdown” in the World trade**

Regarding the challenges and opportunities in the short and medium term, the current commodity crisis is the main threat to growth and development, which caused the Surinamese economy to plunge into a crisis. The continued decline in the international market, rising protectionism, the developments of the Chinese economy, the fourth technological revolution, the issue of climate change and the related issues around energy and sea level rise, provide both challenges and opportunities for the development of our country.

The outlook for the commodities (oil and gold) are more favourable in 2017 than in 2016, but could go either way, depending on the political situation in the world. The globalization trend is declining and a new trend of the globalization is expected. Labour in the developing countries is currently expensive, as a result of which the developed countries want to produce themselves again as much as possible. The low commodity prices have also had an impact on the volume of the world trade, the value and types of commodities. In some emerging economies, higher import prices led to a decline in the demand for goods and the depreciation of the local currency in some countries also caused a slow growth of the world trade. Suriname will experience the negative effects in the growth of the economy if this trend continues in the coming period.

## **I.3 Challenges and Opportunities**

The long-term challenges of Suriname, which largely come from the outside, have not really changed in the past decades. But also by eliminating our own, so internal weaknesses and unused opportunities, little progress was made. The core of the approach in this planning period is that Suriname's reactive role must change in the development process to a proactive one, by increasing the development capacity of the society. The Surinamese need to take decisive action and take both the direction and the extent of the development into their own hands.

Identification of underlying weaknesses and strengths must be the basis to bring change in development strategy and policy, as a result of which Suriname can be permanently placed on the path of growth and sustainable development. The opportunities for Suriname are in the different natural resources, reasonably developed and culturally diverse population and geographical and therefore geopolitical position. The historic relationship Suriname has with the USA and the Netherlands and the Diaspora relationship with various influential countries / economies (India, Brazil, Indonesia, China and the peoples of the African continent) provide opportunities for our long-term development strategy.

## **I.4 Simulations of the Development in Planning Period 2017-2021**

### **I.4.1. Introduction**

The changing political and economic developments worldwide complicate making exact predictions for the economy in the planning period 2017-2021. To have an idea of the macro-economic development in the coming period, three growth possibilities were developed, based on certain assumptions. The expectations in the economy will be adjusted in line with the expectations in the global economy. The Development Plan 2017-2021 has been calculated, using the two calculation models used by SPS: the GDP and Surya-calculation model. The possible growth projections are:

1. the baseline ("business as usual", thus continuing the current development); 2. a desired growth projection (assuming recovery of the world economy, the policy and an adjusted investment program of the government) and 3. pessimistic growth projection, which is based on a deteriorating world economy, particularly the unfavourable development of demand and prices of our main export products and finally a not fully implemented public investment program.

The main point of departure for the Developments of the Development Plan 2017-2021 is the disappointing growth of the economy in the past three years. The real growth of the Surinamese economy decreased significantly in 2016 and is estimated in 2016 at -10.4 percent. The decline may mainly be attributed to:

- A sharp drop in export prices (crude oil by 60 percent and gold by 22 percent) and therefore a sharp decline in the foreign exchange earnings.
- The decrease in the volume of exports from the mining sector as a result of the decrease in production since 2013. In 2016, the decrease in volume of gold was around 22 percent compared to 2012 and 15 percent compared to 2015.
- The termination of the bauxite and alumina production at the end of 2015.
- A government budget deficit of 6.8 percent of GDP in 2016.
- The decline in public investment.
- The decline in the growth in most of the non-mining sectors, including a sharp decline in the trade and the construction sector.
- The decrease in the purchasing power of the wage earners and social security recipients

General policy objectives in the growth projections:

- A public finance deficit of the budget of up to 4 percent of GDP mp at current prices.
- Neutral monetary financing of the deficit.
- A monetary reserve of at least three months of imports coverage.
- A real growth in GDP of at least 3.8 percent in 2021 (the average level of the period 2011-2013).
- A National Income per capita of at least \$ 8,500 (the average of 2011-2013).

#### **I.4.2. The Baseline**

The growth of the total production has been calculated on the basis of data already known and a number of assumptions:

1. An exchange rate of SRD 7 per USD for the entire period has been included in all projections. The justification for this is that a) already two quarters of 2016 recovery takes place in the visible balance of the balance of payments and the expectation that the balance on the services balance will also improve, given the fact that the large investments in the Gold and Oil Sector have stopped and consequently also the high spending for foreign service providers will also drop further; b) there is an increase in the foreign-exchange reserves; c) the average of the exchange rate SRD / USD was close to 7 in 2016; d) it is expected that the revenues of the government will increase by the activities in the gold sector and e) the Government will adopt austerity measures. Regarding the exchange rate ratio USD / EUR, the assumption is 1:10 in 2016 and in 2017 and 1:20 for the remainder of the period.

2. In the period 2017-2018, the production of gold increased by respectively, 52 percent and 3 percent, due to the arrival of a new producer. In 2020 and 2021 the production drops by 8 and 6 percent and rises to 2.3 percent in 2021. The expectation is that within the large-scale mining sector one of the companies will expand in 2020 and that the other company indicates a drop in production from the period 2019-2021.

3. For 2017-2021 the production of the small-scale gold was estimated on the basis of the estimate for 2016, in the course of which the same level was used, namely about 15,087 kg. The imports for the small-scale gold mining sector have been included in the total imports, due to the fact that they purchase inputs from the local trade. The estimate of the gold price is as follows: USD 1219 troy oz

in 2017; USD 1190 troy oz in 2018; USD 1160 troy oz in 2019; USD 1132 troy oz in 2020 and USD 1104 troy oz in 2021 (WEO-projections, October 2016). The provisional gold figures of the companies were made available for the calculations, but may not be published.

4. The refinery production is between 2.4 and 3.2 million barrels per year. The oil price is set at USD / bbl 50 in 2017-2021.
5. The timber sector is growing annually between 8 and 10 percent on average (projections SBB).
6. The average growth of the construction sector amounts to about 3 percent annually. This includes the imports of building materials for the housing project and the Dalian asphaltting project.
7. In 2017-2021 the estimates of the imports of inputs for the production of both gold companies were added.
8. Due to depreciations of investments, New Mont will only start in 2021 with the transfer of income tax.
9. The government figures for 2016 are estimates made on the basis of the achievements of the third quarter and the figures for 2017-2021 are SPS estimates, based on the expected income from the mining sector, in the course of which the costs are estimated on the basis of a budget deficit of 4 percent of the GDP.

Table I.4.1.1 Results of the Baseline 2017-2021

Indicators	2017	2018	2019	2020	2021
Exchange rate SRD/USD	7	7	7	7	7
GDP in current prices (market prices) in SRD mln	28,924	31,429	33,467	36,085	38,493
BBP in constant prices (market prices) in SRD mln	8,991	9,190	9,300	9,429	9,634
Real growth in percentages	0.9	2.2	1.2	1.4	2.2
Available income SRD mln	28,954	31,459	33,182	35,801	38,208
National Income per capita in SRD	49,246	53,022	55,933	59,750	63,136
National Income per capita in USD	7,035	7,575	7,990	8,536	9,019
Inflation	27.9	10.1	5.6	4.9	4.2
Import coverage in months	4.1	4.8	4.7	3.8	3.5
Public finance deficit in percentage of the GDP	-2.3	-2.8	-3.2	-2.8	-1.0
Employment companies in percentages	-5.2	1.7	1.9	1.4	2.0
Investments in USD mln	916	1,276	1,432	1,826	2,119

Source: SPS

The results of the baseline are an average GDP growth rate of about 1.6 percent over the period 2017-2021 (see Table 1.4.1.1). The slowed growth occurring in 2019 and 2020 is due to a drop in production at the major gold mining companies, which will reduce exports of gold by around 8 and 6 per cent respectively. The reason for the decrease in production is not yet known. The inflation in 2017 is considerably lower than in 2016 (55.5 percent) and the downward trend continues in 2018-2021. Employment shows moderate growth averaging 1.8 percent over the period 2018-2021. In the period 2017-2021 the necessary investments average USD 1,514 million per year. National income per capita in USD is growing again and the goal of \$ 8,500 is reached in 2020 and 2021. The target of import coverage is achieved, but the GDP growth in 2021 is still below the target of 3.8 percent.

### I.4.3. Desired growth projections

In this exercise, there is 'an improvement in the economic activities compared to the baseline'. There is diversification of the economy, with tourism, the agricultural sector, the non-mining-related small industries and outsourcing activities being encouraged. It is assumed that the government carries out its adjusted investment program, funded by the ISDB and other financing institutions. In addition to the assumptions listed with the baseline, additional assumptions have been included:



1. In 2017 and 2018 the preparations will be initiated in the large-scale mining sector for the newly acquired "soft rock" gold concession in the district of Saramacca. The gold production and export start in 2019. The gold production will be increased from 9,600 to 12,000 kg in 2019. This new development will increase the total gold production. The assumption for the gold price is as follows: USD 1 250 troy ounces in 2017; USD 1300 troy oz in 2018; USD 1325 troy ounces in 2019; USD 1350 troy oz in 2020 and USD 1375 troy ounces in 2021.
2. The oil price is USD / bbl 55 in 2017 and for the years thereafter USD / bbl 60.
3. The infrastructure projects included in the Development Plan 2017-2021 will cause the construction sector to grow. According to projections, the growth of this sector will be between the 4 and 5 percent from 2019.
4. The construction of the fibreglass cable by Telesur opens opportunities for outsourcing operations as of year-end 2018, which will make a major contribution to the Telecommunications sector.
5. Actively seeking new markets means further growth of the tourism sector, which may create an annual contribution of about 4 percent to the economy.
6. An annual growth of the production of dried paddy and rice by 7 and 6.5 percent.
7. The growth of the production of small and medium enterprises by about 10 percent.
8. The payment of the profit tax of the gold companies is done a year earlier (in 2020) than planned. It is believed that during that year approximately 25 percent more than the volume of 2015 will be produced, after which the production is gradually increased up to approximately 12,000 metric tonnes per year.

Table I.4.2.1 Results desired growth 2017-2021

Indicators	2017	2018	2019	2020	2021
Exchange rate SRD/USD	7	7	7	7	7
GDP in current prices (market prices) in SRD mln	29,909	33,688	37,358	41,873	46,275
GDP in constant prices (market prices) in SRD mln	9,111	9,437	9,730	10,093	10,532
Real growth in percentages	2.3	3.6	3.1	3.7	4.3
Disposable income SRD mln	29,939	33,718	37,388	41,903	46,306
National Income per capita in SRD	50,688	56,309	61,573	68,050	74,142
National Income per capita in USD	7,241	8,044	8,796	9,721	10,592
Inflation	28.1	11.4	7.1	6.3	5.8
Import coverage in months	3.7	5.1	5.5	4.7	4.7
Public finance deficit in percentage of GDP	-2.0	-2.0	-0.2	-0.9	1.1
Jobs companies in percentages	-4.5	3.2	3.6	3.7	4.3
Investments in USD mln	1,105	1,516	1,796	2,408	2,840

Source: SPS

The results of this exercise indicate an accelerated recovery of the Surinamese economy (see Table I.1.2.1). The average real growth in this respect is estimated at 3.4 percent annually for the period 2017 to 2021, while the target of 4.3 percent in 2021 is easily achieved. From 2017, the import coverage in months exceeds the standard of 3 months. The public finance deficit of the budget is within the target. From 2018, employment increases annually by about 3.7 percent.

#### **I.4.4. Pessimistic growth projections**

Within this context, there is likely a less favourable image relative to the baseline situation. There is an even slower recovery in the growth of the Surinamese economy, also partly due to less favourable developments at the global market. Compared to the baseline, the following assumptions apply:

1. One of the partners within the large-scale mining sector continues to produce at the level of 2016 over the entire period. The gold price drops further to USD 1000 troy oz for the entire period.
2. In 2017 and 2018 the oil price drops to a level of USD/bbl 30 and in the period 2019-2021 amounts to USD/bbl 35.
3. The projects in het Development Plan 2017-2021 are not or partially implemented.
4. The transfer of profit tax from the gold sector is postponed by one year (to 2021).
5. A decline in the growth in the tourist sector by about 6 percent

Table I.4.3.1 Results pessimistic growth projections 2017-2021

Indicators	2017	2018	2019	2020	2021
Exchange rate SRD/USD	7	7	7	7	7
GDP in current prices (market prices) in SRD mln	27,472	29,269	30,789	32,830	34,403
GDP in constant prices (market prices) in SRD mln	8,934	9,077	9,128	9,187	9,282
Real growth in percentages	0.3	1.6	0.6	0.7	1.0
Disposable income SRD mln	27,502	29,299	30,819	32,860	34,433
National Income per capita in SRD	46,748	49,346	51,418	54,316	56,378
National Income per capita in USD	6,678	7,049	7,345	7,759	8,054
Inflation	26.1	8.2	5.2	4.9	3.9
Import coverage in months	3.5	3.6	3.3	2.0	1.6
Public finance deficit in percentage of GDP	-2.9	-3.3	-3.9	-3.6	-1.4
Jobs companies in percentages	-5.6	1.0	1.2	0.7	0.9
Investments in USD mln	825	1,131	1,199	1,516	1,732

Source: SPS

In this exercise, the economy grows much slower, the average real growth for the period 2017-2021 is projected to average 0.8 percent per year (see Table 1.4.3.1). The unemployment rate increased from 24.3 percent in 2017 to 28.1 percent in 2021. The import coverage falls below the norm after 2020 and this means that the exchange rate of the USD will come under pressure again and will have to be adjusted in 2020-2021, namely by about 31 percent. The investment volume is much lower compared to the baseline. Compared to the baseline the public finance deficit increases. In 2021, the public finance deficit is far less compared to 2020, because the Government revenues rise. In this exercise the payment of profit tax (from the gold sector) will start in 2021.

Graph 1.4.3.1: National Income per capita in USD 2010-2021

Source: ABS and SPS (2016 and further)

[translator's note: for some reason this graph could not be copied from the source text, which was in pdf.....Please see page 25 source text Dutch

### Summary:

In summary it can be said that some of the targets are met in the baseline, such as the national income per capita of at least \$ 8,500 (see graph 1.4.3.1). This object is achieved in 2020 and 2021. The average growth is about 1.9 percent over the period 2017-2020 and the growth in 2021 is 2.2 percent below the target of 3.8 percent (the average for 2011-2013). The unemployment rate remains above the 20 percent in the baseline and the average investments amount to approximately SRD 10.5 billion, at an exchange rate of 7 SRD / USD. The average public finance deficit remains below the norm of 4 percent of the GDP. At the desired growth projections, a growth of 3.7 percent will be achieved in 2020, close to the target of 3.8 percent and in 2021 the growth exceeds the target. Employment increases in the period 2018-2021 with an average of 3.7 percent and the investments amount to approximately SRD 13.5 billion per year at an exchange rate of 7 SRD / USD, which is USD 1.9 billion per year. The import coverage during the period is well over the standard of 3 months. From 2019, inflation is back to single digits.

In case of setbacks in the period 2017-2021 the targets are not met (see Table 1.4.3.1). The economy will grow very slowly with an average of 0.8 percent per year. The import coverage in 2020 and 2021 will fall below the limit of 3 months and this will mean that the exchange rate will again devalue to restore balance to the economy.

## **Chapter II: The Strategic Vision**

### **II.1. What is Development?**

Intuitively, most people put development on the par with progress<sup>10</sup>, a better life right now compared to a period before. Progress means that the quality of life has improved by an improved economic situation, better social and cultural services and a more comfortable and healthier working and living environment. Adoption of the concept of sustainable development reflects this endeavour, but also a standard to evaluate growth models. Economic growth, which is only maintained for a short period of time or is at the expense of social development or severe and lasting damage to the environment, cannot be qualified as "development". A requirement of sustainable development is that "certain groups are not left behind" or that the environment is not ignored in the development process. This is almost always the result of theories or ideologies in which small, elite groups are seen as carriers of development and therefore may realize their progress without worrying about others or the environment.

Development can also not be seen only as the by-product of competition, because it always results in "winners and losers", especially if the rules are in favour of certain manufacturing groups. Sustainable development demands that in its development strategy, Suriname incorporates principles of cooperation and solidarity, two inherently human characteristics. This is consistent with the tendency to consensus building, one of the cornerstones of the Surinamese culture that must be embraced in the development strategy.

The idea of sustainable growth originated in the decades of experience that rapid economic growth at the expense of social and political development or the environment is unsustainable in the long term. Squandered human capital, inequalities, poverty, social, political and/or armed conflict and global climate change are problems that can throw back a society decades and nullify years of growth. Often caused by unilateral development strategies, short-term thinking and fixation on the primacy of economic growth, the recoil is easier to predict than to prevent.

Also designing and implementing "a sustainable growth strategy" has many challenges. "For twenty years, the international community has aspired to integrate the social, economic, and environmental dimensions of sustainability, but no country has yet achieved patterns of consumption and production that could sustain global prosperity in the coming decades. A new agenda will need to set out the core elements of sustainable lifestyles that can work for all."<sup>11</sup> The UN Commission, which initiated the Sustainable Development Goals of the UN, acknowledges that serious challenges complicate the design and execution of a sustainable development strategy and formulated in response thereto the five fundamental principles<sup>12</sup> for sustainable development "Post-MDG":

1. Leave no one behind.
2. Place sustainable development at the core. Only by jointly mobilizing social, economic and environmental action will we be able to permanently eradicate poverty and fulfil the aspirations of eight billion people in 2030.
3. Transform economies for jobs and inclusive growth.
4. Build peaceful and effective, open and responsible institutions that work for everyone.
5. Devise a new international partnership.

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<sup>10</sup> "Defining progress is essential." (paragraph about Core principles for developing post-2015 goals and strategies in The United Nations Development Strategy Beyond 2015; Committee for Development Policy)

<sup>11</sup> Page 9; "A New Global Partnership: Eradicate Poverty and Transform Economies Through Sustainable Development; The Report of the High-Level Panel of Eminent Persons on the Post-2015 Development Agenda"; 2013, United Nations, New York.

<sup>12</sup> The commission states "Taken together, the Panel believes that these five fundamental shifts can remove the barriers that hold people back, and end the inequality of opportunity that blights the lives of so many people on our planet."

In essence each of these five challenges / development strategies pertains to seeking a substantiated and balanced development strategy and these principles have been elaborated to the seventeen Sustainable Development Goals (DOD/SDG). Suriname acknowledges the importance of these goals incorporated in the OP 2017-2021. The UN-DODs give guidance as to how to find a balance between: solidarity and competition, between individuality and collectiveness. Finding this balance indicates who we as individuals and as a society shape our humanity and take responsibility for the development of Suriname. This concept will have to be the guiding principle of Suriname's development strategy and is endorsed in the above-mentioned UN-report, which states that:

*“Perhaps the most important transformative shift is towards a new spirit of solidarity, cooperation, and mutual accountability that must underpin the post-2015 agenda...Everyone involved must be fully accountable.”<sup>13</sup>*

For the Surinamese economy, which is mainly based on mining and industry related thereto, the importance of the sustainable development idea should not be underestimated. In its elaboration, at all levels and in all areas of policy and planning mechanisms and jointly set goals, this should be worked on. In this respect the following is concerned:

1. To build mechanisms, institutions and institutes, which enable us to persevere the development effort for a long time without relapse. Social institutions are the sustainable standards and value systems that support and indicate our economic and social behaviour and our attitude towards the environment and indicate what Surinamese want and do not want. The extent to which these norms and value patterns actually live in the Surinamese will determine whether the institutions, the organizations charged with regulating and sanctioning behaviour, are successful. Sustainable development is largely institutional development.



2. Integration of (seemingly) opposing development through consensus building. The current consensus in the development debate is in fact the core principle of simultaneity in the planning and realization of the most basic expectations that people have of development. There is usually no lack of consensus on the philosophical goals of development but profound disagreements and conflicts between interest groups, politicians and experts become palpable in deciding the order in which these objectives are to be achieved. The issue of sequence is of course a direct consequence of assumptions about the inter-dependence of the goals. The Surinamese Planning Machinery and Surinamese politics must convince interest groups in such manner that they embrace a new development paradigm, which seeks to avoid an order or ranking of economic, social and environmental goals, and look for options to integrate these goals. This call, forces Suriname to approach growth and development from different perspectives (interests) and to adopt a balanced development strategy by consensus at a national level.

## II.2. Three “Preliminary questions” and the Responses

The Development Plan 2017-2021 takes into account the two most fundamental development challenges, which Suriname cannot really change within short: its small population and the openness of the economy. These two challenges are also closely related. The belief is that a strategic vision for the development of Suriname should be built around these challenges. A significantly larger population itself is not a wrong development goal, but plan-related care and political responsibility require that such an ambitious goal is quantified and formalized in the development plan. Only then can such an ambitious goal be controlled and well-planned and thus contribute to sustainable development and guarantee the continuity of the Surinamese nation. The second challenge, the openness of the Surinamese economy, is both cause and consequence of its small size. The lack of diversification of the economy is closely linked to the small size, but can be reduced as this is not the only cause. Reduced import dependency and diversification of the economy require innovative strategies that encourage and support the change of investment, consumption and production patterns, with the government playing a mobilizing, facilitating and regulating role.

<sup>13</sup>Executive summary — “A New Global Partnership: Eradicate Poverty and Transform Economies Through Sustainable Development; The Report of the High-Level Panel of Eminent Persons on the Post-2015 Development Agenda”; 2013, United Nations, New York

The above approach leads to three "preliminary questions" that need to be answered before specific choices are made for sectoral, regional and institutional planning, policy and projects. Indeed, it is expected that these answers provide the core values with which engineers, policy makers in the private and public sector but also the citizens can decide which initiatives are important to achieve our national development objectives. It involves the following three questions.

1. Whom do we plan for? Who and what will the "Surinamese People" be in 2030?
2. Can we do it on our own or are strategic partnerships with big countries necessary?
3. How do we solve the "foreign exchange issue" in Suriname's small-scale, open economy?

### **II.2.1. Who and what will the Suriname People" be in 2030?**

The people of Suriname are the beginning and the end of the discussion on our development. Strategies, plans, programs and projects serve the progress of the Surinamese people and in the Development Plan 2017-2021 they are assessed thoroughly as regards this criterion. This is in contrast to an approach in which the goal is to develop "the land / the ground" of the "resources" and the assumption is that the benefits for the Surinamese people will take place by means of a "trickle-down" mechanism. As operational definition for the Surinamese people, the Development Plan 2017-2021 is based on the Surinamese citizens: these are Surinamese nationals and other residents. The current and future Surinamese citizens are the ultimate target group for developing, implementing, and evaluating development plans. The main challenges which our very small population entails, are detailed below as follows:

1. The projected population for 2017 is 595,034 and for 2021, 650,070 persons. Suriname therefore has a very small population, which is the root cause of the small market and which also imposes restrictions on the production capacity of the country. In this respect, the following should be noted:

a) Suriname's small population has a relatively low fertility rate<sup>14</sup> of 2.56 and a trend towards migration, as a result of which the small scale can not "outgrow" by natural increase of the population.

b) The most favourable scenario of population projections<sup>15</sup> tells us that in 2032 the Suriname population will consist of approximately 739,700 people, so still fewer than a million souls (including the expected migration).

c) Migration is the "game changer" in demographic developments, the major challenge for sustainable development. In a small society, especially migration can dramatically change the size and the structure of the population in a short period of time. In this respect, international migration is concerned, so emigration and immigration, but also to internal migration. In the very small states<sup>16</sup> there are cases where the population composition has changed structurally in roughly 10 years time.

2. Suriname is one of the most sparsely populated countries in the world<sup>17</sup>. This creates opportunities but also challenges. Moreover, the unequal distribution of the population over the territory increases the risk of a mismatch between the location of people and options for economic activity.

3. In small societies like Suriname, the economy may outgrow the population, both in terms of the required quality and quantity of work. Possibilities vs. reality (where do people live?) Where are good jobs versus profitable entrepreneurial activities? In practice it involves potential or actual international and / or national migrant flows related to economic opportunities and the impact these migrants have on local communities. Against the background of securing sustainable growth, this may sometimes lead to making a strategic choice between either population goals or economic growth goals. However, these choices much more frequently present themselves as policy decisions on labour migration.

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<sup>14</sup> The Total Fertility rate is the total number of children that would be born per female (or per 1,000 women) when they (the women) during their entire reproductive years would have the same fertility pattern as the current observed pattern of age-specific fertility rates

<sup>15</sup> Results 8<sup>th</sup> Population and Census in Suriname, Population Projections 2020-2032, page 48; ABS, 2014

<sup>16</sup> Microstates Small Island Developing States (SIDS).

<sup>17</sup> Suriname is sixth most sparsely populated country in the world in the rankings of the World Bank (World Development Indicators 2015)

## II.2.2. Can we do it on our own or are strategic partnerships necessary?

In the current world order very small independent states are a political reality. More than half of the very small independent states<sup>18</sup> are in the Caribbean. In terms of population size, Suriname is among this category. Despite the formal equality, in the current international relations very small states are often marginalized compared to the superpowers or medium-sized states. The concept of "very small independent states" is introduced here because it is less controversial or confusing than other denominations. The huge differences between countries such as Suriname and other major countries and the impact on development are essential in this respect.

Now, 55 years after the adoption of the UN Declaration on the colonization and the increasing pressure on the basic principle of non-intervention and non-interference, there may be a turnaround in which there will be less and less room for very small states to set out their own development path. Very small independent states increasingly louder demand more recognition from the international community as a group of countries with special needs. The large countries and the multilateral organizations are asked to take into account and to commit to specific rules and programs that are needed to promote sustainable development of very small states. For very small States which became independent in the "Post-World War II international system", there are two interrelated key challenges for sustainable development:

1. Reintegration in the world, economically, politically, socially and culturally; markets, transport, capital, science and technology, education and security.

2. Overcoming small scale, especially economically, without unacceptable loss of the newly gained political independence.

Small scale: a key challenge? Despite the consensus in 1994<sup>19</sup>, and the reaffirmation of this in 2014<sup>20</sup>, that very small states have special development challenges, this has not yet resulted in the recognition of a special status and an associated support protocol for development cooperation and special arrangements in international trade protocols. Technically, in this impasse, apparently three key issues play a role:

1. The effect of small-scale on the development challenges and opportunities and the question of whether special status and treatment are needed.

2. The appointment, definition and classification of (very) small states which should include the special development challenges, which would justify a special regime. The following issues play a role in studies and policy:

### Decolonization

The creation of the UN was the expression of the global consensus that the relations between independent states must be subject to foundations of a newly agreed international law. In fact, this global consensus was that the most powerful countries in the world after World War II could prevent a third world war by basing cooperation and conflict resolution on the international law and the mechanisms of the UN. Furthermore, after WW II, the powerful countries, both winners and losers, stated that the objectives of a new international system were:

a) reduction of protectionism embedded in the colonial system and  
b) establishing a new world order based on (formal) free trade between independent states.

In this vision, colonialism was an outdated political-economic system, a barrier to development of a global economy and the seeds of a future world war. Still, it took fifteen years for the United Nations 'Declaration on the Granting of Independence to Colonized Countries and Peoples' to be adopted in 1960 and for decolonization to become part of the International law.

Since the adoption of this declaration, 80 former colonies became independent with a total population of 750 million people. The "very small independent states" are the last colonies or semi-colonies which were independent.

At present, according to the UN Decolonization Commission only 17 countries have not been decolonized with a total population of about 2 million people. These are all "very little dependent States".

<sup>18</sup> This was based on the list of Small Island Development States (SIDS), as specified by the UN-OHRLS (<http://unohrlls.org/about-sids/country-profiles/>). This classification was chosen because it is in line with our membership of the Caribbean Community (CARICOM) and the partnerships and actions operational within this context. However, the discussion about the classification and definition of very small independent states is still ongoing and far from settled.

<sup>19</sup> See final declaration of the UN-SIDS-2014 Conference in Samoa and "Is a special treatment of small island developing States possible?", page 31; United Nations Conference on Trade and Development, UNCTAD/LDC/2004/1; New York and Geneva, 2004

<sup>20</sup> Main document of the third International Conference about "Small Island Developing States", 4 September 2014, Apia, Samoa, A/RES/69/15 - SIDS Accelerated Modalities of Action (SAMOA) Pathway

a) What is a very small State, so the basic unit of analysis? The most important prerequisite for solid research and policy is a clear and consistent definition.

b) Should one or more criteria be used?

3. Can the special development challenges be shown and explained with (written) empirical evidence? Usually, the development performance is measured by analyzing the GDP growth. Especially in very small independent states this may give a distorted picture of the development challenge. It is proposed to introduce the concept of "vulnerability" (economic, social and environmental) at least as an additional criterion.

But in the last two decades, also politically there was little willingness to break the so-called uniformity, which was presented as a prerequisite for a free trade system and globalization. The sharp protests of very small states were to no avail, especially when it came to the unrestricted application of the WTO protocols and the standard protocols for development financing under special conditions. The recent emergence of protectionism and resistance against unjust aspects of globalization in the USA and countries of the EU can have far-reaching consequences for the international trade regime that has emerged in the last three decades. Very small countries should actively prepare for the potential impact of price changes in this area.

The development strategy aims at overcoming the small size of the economy by a better integration in the world, by means of strategic partnerships for more and better development opportunities. In this respect an innovative two-track approach is required, which combines active participation in regional integration processes with deeper integration with some very large states. The guiding principle here is that the strategic partnerships that Suriname enters into, are driven by a sensible look at (economic) interests of our country. It must be prevented that Suriname's (sustainable) development opportunities are limited because the partnerships and our economic interests move in conflicting directions<sup>21</sup>. This is based on the main lessons from the experience of successful decolonization of very small countries.

Our strategic partnerships with one or two "big countries" should be based on our development strategy and protection of the sovereignty. Such partnerships may have implications in the sense of new dependencies, but also new (larger) development opportunities. The choice for such partnerships is the confirmation thereof and the actual content of the cooperation must be continuously tested against this.

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<sup>21</sup> Kruyer analyzed and substantiated a similar discrepancy in our development already in 1969, by characterizing Suriname as a "neo-colony in within the kingdom". This due to the dominance of our economy by American companies, while the country was a semi-colony of the Netherlands

### II.2.3. How to preserve the stability of the Suriname currency?

More than in other economies, monetary stability, especially exchange rate stability, is the key condition for development in a small open economy as Suriname. Deep crises characterized by rather sudden decline in the foreign exchange inflows by 40 percent or more and that last several years, nullify advances developed in the years before, and throw the country back many years. A large part of the response involves the (structure of) the fiscal and monetary policy. The development policy has identified this issue as a key challenge and tries to define the problem as properly as possible, so that the technical experts can come up with definitive answers.

As stated in the introduction to section II.2, the stability of our currency (in the long-term) is fundamentally determined by the earning capacity of the economy in relation to the global economy. However, this underlying earning capacity alone cannot ensure exchange rate stability in the short term, because: i) the need to import did not have a ceiling and ii) as a result of the global economic downturn and unexpected, sometimes fierce fluctuations in prices, imbalances could occur in the balance between imports and exports. The latter may last for short, but sometimes longer periods.

The mechanism that policymakers have available to gear the demand for imported products to the earning capacity of the Surinamese economy is crucial to limit exchange rate instability at a time when the earning capacity of the Surinamese economy drastically declines.

But even in times when the earning capacity skyrockets, this mechanism is important to limit i) spending urge and wild growth in the imports and ii) to build and protect the foreign exchange reserves. Of course, the mechanism only is not sanctifying, fiscal and monetary policy should in conjunction, promote exchange rate stabilization.

The question posed here is: What are the consequences of the current mechanism, in other words what are the requirements to have this mechanism produce good outcomes. These requirements may be broken down into two categories.

- Requires government policy: the kind of fiscal and monetary policy, which may be expected from the Government or is required to bring the desired balance.
- Desired behaviour of the private sector: The role and the behaviour desired/required from private actors is to tune in to each other the demand for imports and the foreign exchange earning capacity.

A detailed study is essential, after consultations with stakeholders, to make the necessary improvements or to set up a new mechanism, in order to realize better social and economic outcomes. In anticipation of this study and the subsequent consultation, the following issues are presented here, which need to emphasize the importance and urgency of this policy issue.

1) Who decides on the spending of the foreign exchange and who should be held responsible.

a) In this respect, the government has given all direct decision-making powers to the citizens. By the liberalization of the trade and the foreign exchange transactions, every citizen may import whatever he/she wants and legally buy the foreign exchange for this purpose. In fact "the market", the importers and the families decide what is imported. Problem: The import and

#### The current Mechanism

In 1993 and 1994, during the big crisis, the foreign currency income on the trade balance dropped to less than 300 million USD per year (see Table 12a of the statistical appendix). Foreign exchange income from other sources was negligible. The current mechanism for matching the demand for imports with the earning capacity emerged in that period. In a very short period of time, under pressure from the deep crisis and donors, the trade and exchange rate regime was soon liberalized. The "old system" was based on four pillars: i) compulsory import licenses, ii) foreign exchange allocation after an import permit was obtained, iii) a prohibition on holding (possession) and trading in foreign exchange and iv) the legal obligation of every citizen to pay all currencies to the Central Bank of Suriname. At the height of the crisis, in an attempt to get as much foreign currency as possible and to make the "parallel market" visible, the points i) up to and including iii) were completely abandoned and point iv) was transformed into the duty of residents to "repatriate" export earnings: transferring the foreign exchange from a foreign to a personal or company currency account at a local bank. The mechanism created by these amendments to the laws and regulations in this context, created a new mechanism with which policy-makers and the public (households and firms) had little experience at the time.



trading companies, but also the families do not sufficiently realize they are the ones to decide on the foreign currency expenditures (and holdings).

- b) The only way the government can influence the free market system, to bring a balance between the demand for imports and the foreign exchange earning capacity, is with macro-policy: mainly fiscal and monetary policy instruments. However, technical and political issues limit the effectiveness of these instruments. These include: a) the nature of the Surinamese economy, b) fiscal and monetary measures are often the indirect control and therefore there are c) various "uncalculated factors" that complicate the effect and finally d) the tension between sound economic policy and the public opinion, which brands any increase in the exchange rate as negative and as a failed policy.
- 2) The Government decides on the foreign exchange holdings and is responsible for this. However, the government has only a portion of the foreign exchange reserves. Depending on the specific situation and / or time, it is even possible that the government has a much smaller portion of the foreign exchange reserves than private banks, businesses and citizens. In those situations, especially if it is of a structural nature, new institutions will be required. Policy makers in the public and the private sector, but also the public must draw from this the consequences and improve existing mechanisms or set up new ones with the aim to get better outcomes

It is especially the magnitude of required adjustments to the aggregate demand in a not (properly) anticipated decline in the foreign exchange earning capacity which in the "crisis period" constitutes the biggest development challenge. Inadequate fiscal and monetary policy and strong political tensions in this period threaten to disrupt the long-term development potential permanently. Based on the development planning, it is stated that the responsible fiscal and monetary institutions need to come up with sustainable solutions in three areas:

- 1) Predictability: the capacity to recognize and predict "on time" and better the (international) cycles
- 2) Institutional integration and efficiency: to reach consensus on the most efficient mechanism to align the import demand to the foreign exchange earning capacity and the integration of the key institutions and stakeholders therein.
- 3) Key indicators, policy objectives and societal consensus

Table II.2.3.1.1a Exports of goods in USD mln 1989 - 1995

	1989	1990	1991	1992	1993	1994	1995
Goods: exports f.o.b.	553.8	469.8	348.9	340.2	298.3	293.6	415.6
In percentages of 1989	100.0	84.8	63.0	61.4	53.9	53.0	75.0

Source CBvS Statistical Compendium

Table II.2.3.1.1b Exports of goods in USD mln 2010 -2016

	2010	2011	2012	2013	2014	2015	2016*
Export of goods in mln of USD	2084,1	2646,9	2700,2	2416,2	2145,3	1652,3	1325,2
In percentages of 2009	100	127	130	116	103	79	64

Source: CBvS, adaptation SPS. \*) estimate SPS, based on quarterly figures

Measures have been mentioned in the Stabilization and Recovery Plan in every of the above areas, but within the context of the long-term vision, based on studies, consultations will be held to reach national consensus about a strategy and action program before the end of 2018.

### **II.3. The Need for a Strategic Long-term Vision**

In 2016, it has now been more than forty-one years ago, that a long-term "development vision" was presented for Suriname. The vision was presented by the Surinamese Section of the mixed Surinamese-Dutch Committee of Experts, in the context of 15 years of Dutch aid allocation. But in general, this document, on which there was some agreement, is seen as the brainchild of Franklin E. Essed. It was a visionary approach of our development on the eve of the independence. In the past three decades, there has been no consensus among Surinamese about the long-term development: there is no national long-term strategy.

The need for a strategic, long-term vision is in the first place driven by the adoption of the concept of sustainable growth that success of development is assessed over a longer period and in various fields. In addition, the following points of departure lead to the decision to develop a Suriname Vision 2035:

1. The preparation (preliminary studies and studies) of the decision-making, especially large-scale projects usually require an integrated approach to population policy (including urban centres), infrastructure, and energy production, and take years. Only after the decision-making, can the technical preparation and implementation commence. The whole cycle can last 15 to 20 years and a flexible planning method is needed to structure the process of preparation, decision-making, implementation, evaluation and adaptation.
2. Continuity of policy. If we start from a democratic constitutional state, the probability of the change of political and administrative leadership is normal. Government changes for the entire duration of this "strategic development vision" (15 to 20 years) are also obvious, and the only thing that can guarantee the continuity of strategy is broad political consensus on the main lines of action: development issues and vision statements. If we have this consensus together, our long-term development vision can be a sound basis for the "mobilization of our own typical qualities".
3. Consensus building. It is easier to reach consensus on major goals of the policy. The details regarding the policy may well vary from government to government.
4. Financing. Deep investments can be made only in the long-term context, because these entail compensatory measures and guarantees for both parties.
5. Strategic partnerships. These are very important if certain changes are pursued, and will only be visible in the long-term. Long-term commitment is required from parties to achieve the goals such as reducing greenhouse gas emissions to combat negative climate changes.

## **Chapter III: Points of departure of the Development Plan 2017-2021**

### **III.1. Formal Development Goals**

The formal development goals of the Development Plan 2017-2021 were laid down by the constitution or other statutory regulations or included in formal documents. These goals are mentioned here explicitly, but are further integrated in the strategy and the plan. These objectives are presented in the diagram below.

Diagram III.1.1 Summary of the Formal Development Goals

	<b>Constitution</b>	<b>Planning Act</b>
<b>General Objectives</b>	<p><b>The concern of the State is aimed at:</b></p> <ol style="list-style-type: none"> <li>1. The building and maintenance of a national economy, free from foreign domination;</li> <li>2. The social and economic security of the entire population, adequate employment under the guarantee of freedom and justice, the participation of everyone in the economic, social and cultural development and progress;</li> <li>3. The participation in the sense of citizenship in the building, the development and the maintenance of a just society;</li> </ol>	
<b>Economic objectives</b>	<ol style="list-style-type: none"> <li>4. the establishment of a national economy, free from foreign domination and in the interest of the Suriname nation;</li> <li>5. Together, simultaneous and equivalent functioning of State-owned enterprises, private enterprises, companies in which the State and private individuals jointly participate and cooperative enterprises, in accordance with legal regulations currently in force; promoting and guaranteeing all entrepreneurial production as far as possible;</li> </ol>	<p>Art.3.1 The natural potential and resources of the territory should, while preserving as far as possible the sustainable character, within an adequate social and economic planning, in an optimum manner be made conducive to the physical, social and cultural needs and to the prosperity and welfare of the entire population. In the process:</p> <ol style="list-style-type: none"> <li>a. sufficient employment must be ensured for this population and in addition, conditions created to develop the talents for the benefit of the national development and to receive adequate compensation to that effect;</li> <li>b. within the community, increasing the production and hence the national income per capita of the population as much as possible and also achieving and maintaining an optimal distribution of prosperity.</li> </ol> <p>a. Art.3.3 In general, spatial conditions should be created to preserve a healthy environment, inter alia by safeguarding nature reserves and recreational areas in accordance with the future size of the population, as well as by keeping the soil, water and air pure.</p>
<b>Social Objectives</b>	<ol style="list-style-type: none"> <li>6. the identification of the potential for development of its own natural environment and the augmentation of the capacity to increasingly expand that potential;</li> <li>7. guaranteeing the participation of the community in political life, among other things through national, regional and sectoral participation;</li> <li>8. guaranteeing a government policy aimed at raising the standard of living and well-being of the society, based on social justice and the integral and balanced development of State and society;</li> </ol>	

	<b>Constitution</b>	<b>Planning Act</b>
	<p>9. the creation of conditions in which an optimal satisfaction is attained of the basic needs for work, food, health-care, education, energy, clothing and communication;</p> <p>10. pursuing a planned policy aimed at full employment;</p> <p>11. forbidding dismissals without good cause or</p> <p>14. the promotion of the social and economic development towards a socially just society by means of a development plan in accordance with the law, with due observance of the national and social and economic objectives of the State;</p> <p>15. participation of the regional representing bodies and the regional administrative agencies in the preparation, the establishment and the implementation of the district and local plans. The other specific tasks shall be laid down by law.</p>	<p>Art.2.1 The Minister shall endeavour to prepare a coherent and sustainable policy for the development of Suriname.</p> <p>Art.2.2 To that end, he shall cause regular research to be conducted. The results of these shall be published, as far as the public interest so permits.</p> <p>Art.4.1 The policy summarized in Article 2 shall be summarized in a national development plan, to be laid down in compliance with the provisions of the paragraphs 1, 2 and 3 of Article 8, which gives an idea of the long-term economic, social, cultural and environmental development of Suriname to be pursued and of the measures which the Government proposes to promote this.</p> <p>Art.4.2 The program shall serve as national framework for the long-term plans and other implementation projects.</p> <p>Art.6 Each development program shall include one or more maps to identify the spatial development to be pursued, as well as explanatory notes and a report of the research on which the program is based.</p> <p>Art.3.2 Regionally an as favourable as possible balance must be maintained between the available space and the development to be promoted thereon.</p>

Source: SPS

### **III.2. Commitment to the principles of the UN-SDG**

The formal position of Suriname with regard to the UN-SDGs is that these goals are supported: the adoption of these goals has not (yet) been formalized. As becomes evident from paragraph II.1, the OP 2017 – 2021 starts from the same principles and goals as the UN-SDGs which are integrated in the plan. Further elaboration of the development goals and outcome that have been included in the OP 2017-2021, will just as the UN-SDGs be made operational by the line ministries and other national institutions in partnership with the UN and other development partners.

### **III.3. The Four Pillars of the Development Plan 2017-2021 and Development Goals**

Each individual and group contributes to the Surinamese society based on the rights and responsibilities in a polity where people live happily through the eradication of hunger and poverty, and where security and social security are guaranteed, the community lives in sustainable balance with nature and other people in the world community, based on mutual economic advantage and respect for international law. Consequently, the development policy is based on the following pillars:

#### **1<sup>st</sup> Pillar: Strengthening Development Capacity**

1. Human resources at all levels (top experts, managers but also employees in companies) are optimally present.
2. The strengthening of the key institutions is successful, in particular the public administration, they are more efficient, politically more balanced and more transparent and the knowledge sector is more directly linked to production, investment framework, private sector and public-private partnerships.
3. Enabling sectors such as physical infrastructure, transport, energy/water, knowledge sector /ICT, institutional framework for planning, safety, marketing and entrepreneurship are adequately developed.

#### **2<sup>nd</sup> Pillar: Economic Growth and Diversification**

4. The economic growth has increased:
  - a) the growth potential of the mineral and other natural resources for development is optimally utilized with minimum and environmental damage;
  - b) a monetary and fiscal policy that is adjusted to and provided with the cycles in the international commodities market and
  - c) the links between companies active in the mineral sector and the so-called enabling sectors have been intensified.
5. The Surinamese economy is diversified:
  - a) access of Surinamese products to regional and international markets has increased;
  - b) employment has increased;
  - c) the income distribution has improved and
  - d) there is a good regional spreading of the development (town, rural areas (interior)).

#### **3<sup>rd</sup> Pillar: Social progress**

6. The social development (welfare and well-being) has improved:
  - a) equal development opportunities for each citizen (a good spreading of income distribution, accessible, vocational and affordable education, proper housing guaranteed, good and optimal health care present and available);
  - b) law enforcement, legal certainty and legal security are guaranteed and
  - c) the reform social security system is better able to identify social groups and to assess and reduce their vulnerability (poverty alleviation, creation of employment).

#### **4<sup>th</sup> Pillar: Utilization and Protection of the Environment**

7. The provisions for sea level rise have been made (detailing of the threat and timeline, consensus strategy and long-term investments):
  - a) challenges as a result of climate change receive the necessary attention and measures are taken to address and to minimize the consequences, if any, (natural disasters);
  - b) threats as a result of human acts or disasters caused by nature are prevented as far as possible (CO<sub>2</sub>-emission, Mercury and cyanide pollution, pesticides, herbicides and other agriculture- and stock breeding-related environmental threats and
  - c) the economic value of the forest is used in a sustainable manner based on the Environmental Act, the national environmental strategy related thereto and the Development Plan 2017-2021, and all in accordance with the national and international obligations of Suriname.

**Diagram III.3.1: Points of departure of the Investments in the Development Plan 2017-2021**

	Four Pillars	Investment share in percentages	
		Government	Private-sector
	All sectors	100	100
<b>1.0</b>	<b>Strengthening development capacity</b>	<b>65</b>	<b>5</b>
1.1	Infrastructure, Energy/Water, Transport and Communication	45	4
1.2	Human capital, knowledge sector, entrepreneurship	10	1
1.3	Institutional Development, including reform Public Sector	10	0
<b>2.0</b>	<b>Economic Growth and Diversification</b>	<b>10</b>	<b>80</b>
<b>3.0</b>	<b>Social Progress</b>	<b>15</b>	<b>5</b>
3.1	- Reduction institutional inequality	2	
3.2	- Strengthening Social Protection Mechanisms	5	4
	- Other, including Education and Health	8	1
<b>4.0</b>	<b>Utilization and Protection of the Environment</b>	<b>10</b>	<b>10</b>

Source: SPS

Table XI.2.1.2 shows that given the current policy programs of the line ministries and projects of the other government agencies, the distribution of the development investments as indicated in table III.3.1, will not be achieved. This is the result of the fragmented manner in which policy programs of the line ministries are (usually) established, the old problem that the Development Plan “is never implemented” and finally the lack of *a technical and political – administrative coordination mechanism*, which must enable medium-term and long-term planning. The rebuilding of an actual national planning machinery and further elaboration of the strategic framework of the Development Plan 2017-201 will lead to a better coordination between intended development programs of the line ministries and the medium and long-term planning (table III.3.1).

### III.4. Principles and the Normative Approach of the Development Process

The principles and the normative approach of the development process are as follows:

1. The Development Planning must:
  - a) primarily plan the development of the Surinamese and their (economic) activities starting from the projected needs and aspirations for a better life in a just society.
  - b) plan activities that could be kick-started and/or guided by foreign investors and encourage the actual operations in such manner that they contribute optimally to:
    - i. industrial development of Suriname by planning and encouraging both the upstream and downstream activities of the primary production (agriculture, forestry and mining);
    - ii. direct and sustainable employment, and so income for Surinamese;
    - iii. government revenues and foreign exchange earnings;
    - iv. skills of the workers as well as increasing knowledge and the development of technology in Surinamese knowledge institutions and companies; increase in strengthening of local communities, the locally colonies and entrepreneurship.

- c) Participation and consensus.
2. Private (local and foreign) enterprises, public-private partnerships and where necessary enterprises of the State drive the economic development.
  3. The expectation of exhaustive (natural resources must encourage and finance the development of the sustainable resources with due observance of the interests of the future generations.
  4. Each person, community, company or other organization that develops activities on a profit or non-profit basis, must endeavour to preserve the environment and implement programs that minimize damage to the environment and the health of workers and the local population, and optimize the recovery of the environment.
  5. "Good governance" in the public and private sector.
  6. Excellent planning-technical institutions that prepare, monitor and evaluate empirically driven policy.

### **III.5. Decentralization of Sectoral and Regional Policy and Action Programs**

In compliance with the Constitution, with the Development Plan 2017-2021, the National Assembly (DNA- *Dutch abbreviation*) lays down the strategic or developmental objectives and outcomes. The development results and action programs will have to be elaborated and implemented by the line ministries, specialized sector institutes and regional bodies in policy documents and the sectoral and regional programs on which the annual plans and the annual budget are based. The Development Authority to be established, which this plan starts from, will also play a facilitating and supportive role. This is further elaborated in section IV.2.

In this respect it should be mentioned that it has become customary in Suriname that the Medium Term Plans (MTPs) have a term of five years, which corresponds to the government's term of office as laid down by the Constitution. However, apart from the tradition, there are no compelling regulations laid down by law for the duration of the multiannual plans. Starting from the Planning Act, developments in the methods for policy development and planning, but also on the basis of common sense, there is a great need for a planning for a period longer than five years.

In fact, the lack of a long-term vision for the development has been one of the most glaring shortcomings of the planning in our country, in the last forty years. The most recent, formalized, long-term vision on Suriname's development was "*Mobilisatie van het Eigene*" [Mobilising our own typical characteristics) (1974). Suriname will develop and formally adopt, within two years, i.e. before 2019, a Vision 2035 in a participatory process. This is entirely in line with the recommendation of the United Nations (UN) made shortly after the adoption of the Millennium Development Goals (MDGs). Meanwhile, several development partners have pledged their support to Suriname as regards the development of the Vision 2035.





## **Part 2: Institutional changes and Development of the Enabling Sectors**

## **Chapter IV: Institutional Development and Structural Change**

### **IV.1. Strengthening and Reform of the Political Administrative Machinery**

#### **IV.1.1. Approach**

The call for reform of the Government Machinery comes from several social sectors that bring forth diverse reasons and solution models for such reforms. For about four decades no serious attempts have been made, despite the policy intentions that are constantly expressed and laid down in official documents. In order to change this, in the first place one should be aware that stagnation in the reform of the public sector cannot simply be eliminated with accusations towards politics or unwillingness of the machinery itself. This stagnation, the lack of operational plans and the fact that no actions are taken, have some core causes:

1. The extent of employment with the Government cannot be considered separate from the limited capacity of the economy to generate (new) jobs, especially in the private sector. This is the result of the structure of the Surinamese economy, which has become increasingly dependent on the very capital-intensive mining sector, which has relatively few spin-off effects and as a result of which the diversification cannot be kick-started. The dominance of employment in the public sector is rather a symptom than a cause of what is wrong.
2. The employment with state-owned companies and foundations has partly grown historically, but certainly also an indication of the capacity of the local private enterprises to invest and create employment.
3. The (political-social) concepts about what the core tasks of the Government should be.
4. The lack of consensus about the problem and the solution models, as a result of which solutions about this issue are usually approached from a political instead of technical point of view.

Based on the above, the notion of the "reorganization of the public administration" in the Development Plan 2017-2021 is seen as a) the reform of the political-administrative machinery, which must operate more efficiently and effectively and b) one of the outcomes of the diversification of the economy. This diversification will have to create conditions to transfer labour from the Government to the private sector.

The economic crisis that has affected the society in the planning period 2012-2016, has once again made it clear that the overstaffing, the lack of efficiency and the lack implementation capacity of the Government are a major brake on the development. The crisis also shows that inclusion of unemployed people in the public service is a non-sustainable solution to the weak job creation of the Surinamese economy.

#### **IV.1.2. Implementation capacity of the Government machinery**

The increase in the implementation capacity of the Government entails two key aspects. On the one hand, the reconsideration of the government tasks is necessary so that the organization can concentrate better on selected core tasks. On the other hand, there is the increase in the efficiency by improved operating procedures and discipline, a more efficient organization (structure), integration of ICT and increasing the knowledge and technical skills of the staff. The core issue in the civil service is often characterized as follows:

1. A serious shortage of highly qualified and experienced executives, but a large surplus of unskilled or low-skilled personnel. In addition, a significant proportion of the people in the pay scales for highly qualified executives, do not have the qualifications. This has two major consequences:
  - a. It is almost impossible for the Government to hire or maintain highly qualified staff due to the too low remuneration. Positions that require highly skilled and experienced top specialists, are currently held by persons with only a few years' experience. On the other hand the remuneration, the social benefits and the limited working discipline, make a job

with the government quite attractive for unskilled and low-skilled people. Consequently the overstaffing mostly occurs in the lower positions.

b. Increasing the remuneration rates for the highly skilled is very difficult and less effective due to the large group of people who in fact do not belong in these salary scales.

2. Lack of human power to fulfil the government tasks in an innovative manner. This is among other things expressed in the slight capacity of the machinery to initiate policy development or to translate policy visions of the government into policy programmes and concrete projects. An exceptional challenge is the strongly declined capacity to implement regular government tasks, political and administrative decisions or projects (efficiently). In addition, to the aspect of the human capacity, also other factors play a role, including:
  - a) The lack of (written) work procedures, as a result of which the (new) employees perform less well.
  - b) Little or no transfer of knowledge and skills by senior experts who leave the machinery after their retirement or due to a change of job.
3. Insufficient and poor infrastructure, facilities and resources. Within this context we may mention: the deterioration of buildings, the lack of instruments and ICT, a poor private knowledge sector, just as a lack of other necessary means to perform government duties.

In this planning period, a strategy for the reform of the political and administrative machinery will be formulated, based on research empirically substantiated, in the course of which managing the anticipated change processes and (other) sector strategies will be taken into consideration, from which job growth is anticipated. This research and the strategic plan will be submitted for approval to the Government and the DNA at the end of June 2018.

#### **IV.1.3. Public Sector Reform**

Reform of the public sector will be part of the strategic plan for the reform of the political and administrative unit which will be presented during this planning period. The Government employs more personnel than is actually required for the performance of its duties. Still, the implementation capacity of the government organization is extremely low due to a serious shortage of experienced workers, highly skilled and technical specialists. Especially low-skilled workers prefer a government job, which, in combination with the low job creation places lot of pressure on the system. However, from a macro-analytical perspective, it must be concluded that the "big government" is primarily a result, so is part, of an economic and employment structure, which a) creates (too) few jobs and b) for certain periods of time has available the financial resources to employ people.

The Government has assumed tasks, which they should actually leave to non-government agencies. Therefore, the package of government tasks is too large, while duties also overlap. This results in inefficient and ineffective services. In this sense, the Government may act as a brake on the development as it is increasingly unable to efficiently promote and facilitate national and international investments.

Fundamentally, for a successful reform, in terms of downsizing the machinery, this should be coupled to the diversification of the economy and accordingly create new jobs. Approaches that propose reform of the Government in Suriname as simply an internal issue of the government organization, will probably not be successful and will probably entail very high economic and social costs. But also the strongly politicized government and public service machinery and the reluctance on the part of the civil servants to take risks and resign from public service, are additional risk factors.

Given the political risks attached to the implementation of the Public Sector Reform and the chance of politicizing this essential reform, consensus about a strategic plan is a prerequisite for success. With the formulation of such a plan and the action programs arising as a result thereof, the Planning Machinery will start from the following five principles:

1. Integration in a strategy for diversification of the economy.
2. Strengthening the implementation capacity by:
  - a) Reformulating the government tasks, so also restructure of the government organization;
  - b) Increasing the knowledge level and skills of public servants;
  - c) Applying new methods, techniques and technologies, including ICT.
3. Adjusting or adopting new legislation required to solve inefficiency and stagnation caused by old or lacking legislation.
4. Regional decentralization of administration and planning and the strengthening of local economies.
5. Entering into public and private partnerships.

The development goal of the strategic plan to be formulated for the reform of the public sector is as follows:

**The tasks and organization of the government are better and more coherently defined in the Public Sector Reform Program, which has been formulated in close cooperation with the measures for the diversification of the economy and active labour market programs and the implementation of this reform program results in civil servants making the shift to the private sector, the transition to e-government is successful and the implementation capacity of the government organization becomes bigger, partly because of the change management strategy applied.**

In the policy, the following outcomes will be further elaborated in results and action programs of the relevant ministries and institutions:

1. There is a consensus strategy among the Government, employers' and employees' organizations and social groups on the reform process.
2. The tasks and organization of the government are better and more coherently defined, based on the Public Sector Reform Program, which is part of Suriname's Vision 2035, and the organization of the government is modernized and better able to work in a project-based and result-oriented manner by integration of techniques for result-oriented management and monitoring and evaluation.
3. The e-government program integrates ICT in the organization of the government, standardizes procedures and outcomes, increases the efficiency of the organization of the government and increases the access of the citizens to qualitatively improved public services, without endangering the privacy of citizens.
4. Measures for the diversification of the economy result in new jobs in the private sector and active labour market programs, formulated after consultation with the trade unions, encourage civil servants and enable them to make the shift to the private sector, using job placement services, retraining and extra training programs, trainings for (small) entrepreneurship, credit and support measures.
5. The chance of success of the Public Sector Reform program has been increased by promoting a change management strategy, which engages stakeholders by primarily internalizing the goals, principles and values of the Public Sector Program.

#### **IV.1.4. Better demarcation of Central and Regional Administration**

Historically, administration and also planning in Suriname are very centralized and decentralization of both administrative functions to local bodies is still a work in progress, despite the legislation and the formal status of administrative bodies. Part of the problem is that planning procedures, as required by law, are not operational (anymore) and (legally required) plans are not produced (anymore). As regards planning, a prerequisite for good governance, the lack of technically solid and regional and spatial plans integrated with the national planning, constitute a serious challenge, which is mainly the result of:

- The lack of a long-term strategic plan for the structure of the local administration: the relationship between national and regional administration (including regional and spatial planning).
- The fact that the required planning procedures and products as laid down in the Constitution, the Planning Act and the Regional Authorities Act, do not get going in a sustainable manner.
- A lack of resources and failing capacity with the Regional Authorities and in some sense the Planning Bureau.
- The Regional Authorities, including the Regional Administration, do not have all functional capacities required to actually substantiate their mandate or the statutory regulations to the effect are incomplete.

In short, despite legislation and formal policy intentions to realize a more decentralized administration, in a practical sense Suriname still has a rather centralized administration. The awareness that Regional Administration, so decentralization, is important for higher efficiency and participation, has increased during the past 15 years. The capacity-building of the representing and administrative bodies has been initiated by the decentralization program<sup>22</sup> and will be continued in this planning period after evaluation, as part of the reform of the National Planning machinery. The ultimate goal is to make the Government more efficient and more effective by means of better regional administration and planning, by direct participation of the citizens in the structure and the administration of their neighbourhood, administrative jurisdiction and district. In terms of the required institutional development, four elements are crucial:

1. The legal basis of local administrative authorities and accordingly their autonomous “budget function”.
2. The local human capacity to actually formally perform administrative tasks and responsibilities.
3. The required, decentralized information (statistical data sets), planning mechanisms and instruments.
4. The absolutely necessary reporting and monitoring procedures required for transparent and legitimate local administration.

Based on these four crucial elements, the most important condition to make steps forwards, seems to be achieving broad social and political consensus about a concept of how local administration should function in the Surinamese situation. This will be laid down in a long-term strategic plan, which will determine the further formalization and structure of the regional administration and planning mechanism. Laws to strengthen Regional Administration will be part thereof. These laws will include:

1. A law which regulates the former legal status of administrative units and demarcates their mandate from the central government.
2. A general law on district taxes.
3. A law on the financial relationship between the State and the Districts.
4. Updating the resources referred to in article 4 of the act on Interim Regulation Financial Decentralization.

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<sup>22</sup> In this respect reference is made to the Decentralisation and Local Government Strengthening Programme (DLGP programme), which was implemented in the period 2002 tot 2015

#### **IV.1.5. Public-Private Partnerships**

Part of the strategy for the reform of the political and administrative machinery is entering into public-private partnerships, which must enable among other things the gradual divestiture of government tasks. However, there are two more areas where public-private partnerships may play a decisive role for success of the development efforts:

- The functioning of regulating and monitoring bodies.
- Planning and policy development.

Public-private partnerships at the national level will without any doubt contribute, especially to policy formulation and planning, but also to the successful implementation of measures and to achieve concrete goals, these partnerships must rather be entered into at sectoral or industrial level. This adjustment of the strategy for public-private partnerships will be elaborated by the relevant line ministries for specific sectors and industries, based on a harmonized approach agreed with the business community, the trade unions and other social organizations.

#### **IV.1.6. Privatization of State-owned enterprises**

The issue of privatization of State-owned enterprises is strategically seen in the broader framework of the economic objectives as formulated in the Constitution and which has a mixed economy as point of departure. In addition to this general objective, in paragraph IV.3.1 this principle is further operationalized as a guideline for the development policy in this respect.

#### **IV.1.7. Legal certainty**

Legal certainty is the cornerstone of a stable and dynamic economy and guarantees peace and happiness in the multi-ethnic Surinamese society. Although legal certainty, security and safety are closely related, the first-mentioned is dealt with separately, starting from an institutional approach. In the long term the goal with the increase of the legal certainty is formulated as follows:

**Adjusted legislation, which better reflects the sense of justice of the citizens and an efficient course of justice, in particular a timely and qualitatively proper administration of justice increase the sense of justice in the Surinamese society and guarantee legal certainty of citizens.**

The following outcomes will be further elaborated in the policy in the results in action programs of the relevant ministries and institutions:

1. The legislation is adjusted and reflects a sense of justice of the citizens better, given the economic, social, political and international realities.
2. The course of justice is more efficient by the strengthening of prosecution and the Judiciary, in particular the financial and administrative independence of the Judiciary.
3. A timely and qualitatively proper administration of justice by better personnel, policy, organization development (including special chambers) and eliminating budget deficits of the Judiciary.
4. ICT has been optimally integrated in judicial processes and procedures (hardware and software).
5. The chance of successful reintegration of delinquents has increased.

#### **IV.1.8. National Security**

The Director of the National Security of the Office of the President of the Republic is in charge of developing and implementing the strategies and the policy related to the national security, which among other things focuses on preventing threats to the national security and the preparation in case such threats occur. In this respect guaranteeing sovereignty, integrity, stability and welfare of the state of Suriname is concerned, in the course of which the attention is aimed at and measures are necessary for various aspects, including economic, social psychological, political and diplomatic aspects. The national security policy must guarantee the Surinamese interest in all these areas and safeguard the social and economic security of the state of Suriname. Within this approach the national security policy contributes directly and indirectly to the social and economic development of Suriname and it supports the foreign policy of the Government. The following policy goals enjoy priority in the national security policy and will for the coming planning period be laid down in the national security plan and specific security protocols for the institutions, which play a role in this respect:

1. Enforcement of the territorial security and guaranteeing an acceptable national security level.
2. Increasing and expanding the knowledge and skill levels within the respective security organizations.
3. Strengthening and intensifying the cooperation between and coordination of the organizations and institutions in charge of security.
4. Addressing cross-bordering criminality.

The Constitution of the Republic of Suriname indicates that the National Army (NL) in addition to its primary task of defending the sovereignty and the territorial integrity of Suriname against foreign armed military aggression, can be assigned specific duties according to the law. These particular tasks laid down in the National Army Act, demand that at the request of the legitimate authority, the NL must support operations in the areas of: crime prevention and control, supervision of tourism, maintaining the internal security, combating human-trafficking and smuggling goods; monitoring and protection of the natural resources, the economic zone, the environment (interior and our territorial waters); prevention of epidemics such as malaria and the spread of viral diseases; the development of the interior, infrastructure and other civil works and humanitarian operations.

The views on national security are also adjusted, partly on the basis of the changing international security environment. It relates to adjustment of the role of the defence organization to the security doctrine, the defence goals and specific capabilities, formations, infrastructure and logistics of the defence organisation. In this context, the defence policy is mainly focused on the best use of limited resources to guarantee the national security, including through international and regional defence partnerships that are in line with the national development goals.

The national security and stability are threatened by human-trafficking, illegal border crossings, increasing drug trafficking and growing drug traffic. The NL has to play a particular role in the fight against transnational crime, given its role in guarding the borders. As 100 percent control of Suriname's borders is an almost insurmountable challenge, the defence organization will continue to emphasize that this is a broad and collective responsibility borne by all citizens, organizations and agencies. In this context it should be noted that the security in the interior will get special attention in this policy period.

The international policy of the defence organization is motivated by the ever-changing safety spectrum, in which defence organizations move, the opening of borders and dynamic concepts on security, expansion of defence tasks and modernizing of armies in which the realization of national development goals are key. The international cooperation with the defence institutes will therefore have as a major pillar, the strengthening of security and development. In the context of the international partnerships, the relationship with the State of South Dakota and the Republic of Suriname will be further deepened. Also, as regards the regional integration, the Department of Defence will continue to strive to make a significant contribution, partly by again appointing a national representative at the Centre for Strategic Defence Studies of the South American Defence Council of UNASUR. In the context of adequate implementation of the mandates adopted at

successive meetings of defence ministers of UNASUR we actively participate in several meetings that aim at determining the regional defence policy, as well as adopting regional defence positions on current issues in the South American region.

The NL is an important support of the Surinamese rule of law, to protect and defend the national sovereignty. For the enforcement of law and order over the entire territory, particularly in the interior, the National Army provides assistance to the police.

To prevent people from becoming victims of trafficking or smuggling, the extent hereof will have to be reduced in the policy-period 2017-2021. Suriname is committed to eliminate Trafficking in Persons (TIP) in its territory. In this policy period, funds will be released to address this problem. In the prevention and combat against cross-border crime, the national and international cooperation will be optimized. Prevention and combat of transnational crime will be done through the strengthening of the border crossings in cooperation with the NL.

The Coast Guard is a civilian organization that belongs to the institutions that are partly responsible for the National Security and has supervisory, investigative and service functions and powers. The structure of this part of the national security system is still ongoing. In the proposed scheme, the Coast Guard is responsible for the coordination of the planning of law enforcement, immigration and customs services, supervision of the shipping and the fishing activities, search and rescue, emergency rescue and disaster control in the maritime area and airspace. The Coast Guard has already been established as "Authority" and became operational in 2013. This improved the security situation in the maritime region of Suriname, in the course of which it should be noted that through the Coast Guard, Suriname is in a better position:

- to combat terrorism, drugs, human trafficking and arms smuggling in the maritime area, as well as smuggling goods;
- to combat piracy especially in the coastal area. Especially population fisheries is the victim of this form of piracy and is one of the most important groups that directly benefits from an operational coast guard;
- to protect the national fishing grounds against poachers;
- to provide assistance to persons, vessels and aircrafts in the maritime area, in distress.

The draft legislation that must formalize the Coast Guard has already been finalized. After approval by the National Assembly and promulgation by the President, this institute will be fully operational.

## **IV.2. Consensus on and Reform of the National Planning Machinery**

In Suriname, planning for the small-scale, multi-cultural and multi-ethnic society with a complicated language situation is a challenge. The competing priorities should be reconciled in the planning, and the regional distribution of the development must be acceptable to all. Often, poor planning and plan outcomes are due to the complicated political system that reflects the dynamics of the society and represents a special challenge for the integration of the political and administrative planning and technical aspects of the development process.

But there are other factors that make it difficult to control the Surinamese economy locally. The openness and the dominance of the minerals sector, driven by a handful of companies, make this economy largely dependent on the dynamics of international markets and limit the discretion of policy makers and planners. In contrast, the limited space is often underutilized. Formally, eroding the National Plan Machinery that was built after 1950, began in 1995, although previously there were clear indications that the Planning Machinery was in need of reform. Since then, the Planning Machinery has been struggling increasingly with serious institutional and process-related problems due to unfinished and/or non-adjusted laws, regulations or "institutional provisions". Meanwhile the Planning Machinery is very fragmented and almost not able to:



- Promote and coordinate the development, adoption and implementation of policy and planning;
- build the “critical mass” (the technical specialists, the organization, funds) required to adequately fill the planning functions and
- outline national development vision and the plans and to conduct the negotiations with the various development partners, which by their nature have well-intended but often diverse interests and agendas.

In the current planning. The Planning Machinery will present an accurate and in-depth analysis of the production, employment and consumption patterns as a condition for customized action programs, which must make the development goals feasible in the following areas:

1. Diversification of the economy with its two key goals:
  - a) distribution of the economic risk and
  - b) creation of employment.
2. Reducing the large invisible economy.
3. Institutional development. Increasing the development capacity is only possible by strengthening the key institutions, necessary to achieve the development goals. This relates to the establishment of new and recovery of strongly eroded processes, networks and furthermore formulating the capacity for research and analysis, formulation of policy and plans just as the implementation, monitoring and evaluation. The focus of the investments and efforts will be in the following areas where the institutions must develop into “centres of excellence”:
  - a) information on statistical systems (the General Bureau for the Statistics, ABS);
  - b) development and spatial planning (the National Planning Machinery);
  - c) the knowledge sector (the Anton de Kom University of Suriname);
  - d) Research and Development in the minerals sector (a National Minerals Institute);
  - e) Research and Development for the forestry and the environment (a National Institute for the Forest and the Environment);
  - f) certification of production processes and products (the Standards Bureau).

Based on the above it is clear that within short, drastic measures are necessary to increase the development capacity. However, the building of an actual national planning capacity is a long process and short-term measures, especially in this area, may not undermine the chances for longer-term success (see also Appendix 2: points of departure for the rebuilding of the National Planning Machinery). The development goal for the National Planning Machinery is as follows:

**Suriname has a decentralized Planning Machinery based on statutory regulations, which centralizes the planned technical capacity in the National Development Institute, which facilitates the formulation of policy and medium-term plans of ministerial, sectoral and regional policy and planning authorities, manages separated development funds and monitors and evaluates the planning of meditation and cooperation with the monitoring and evaluation authority, and all starting from a) the strategic vision Suriname 2035 and b) the policy points of departure of the Government.**

The following outcomes will be further elaborated in the policy and the results in action programs of the relevant ministries and institutions:

1. There is a Surinamese Planning Machinery based on statutory regulations, which regulates the elements, processes and procedures.
2. The National Development Institute, which is politically controlled by the President, supported by the vice-President, is a centre of excellence in which the planned technical capacity is localized and the development information is centralized to support the policy and plan activities of bodies for the ministerial, the sectoral and regional planning in an efficient and professional manner.

3. Under the supervision of the Ministry of Finance, a special, autonomous unit of the Development Institute, manages predestined development funds or similar financial resources, separated from the normal budget procedures in the interest of transparent and efficient spending.
4. Within the Surinamese Planning Machinery, a special autonomous Institute, further regulated in the new Planning Act, is in charge of the monitoring and evaluation of the plan implementation.

In this planning period, the National Planning Machinery in Suriname will have to focus on eliminating the standstill in the adaptation of state-of-the-art planning methods and techniques. Decentralization of planning will be based on standardization of methods and processes, both at the level of the line ministries and of special institutions in charge of planning. This will also include integration of financial government administration with monitoring and evaluation, ICT and formats relevant for planning.

The biggest challenge to achieving these goals, is the indecisiveness in the consensus-based political system of Suriname. In times of deep economic crisis, which typically spreads to the political system, this challenge can be greater. Especially in the first years of the planning period, insufficient local resources will be available for the financing of the reform and the strengthening of the National Planning Machinery. The dependence on external resources for the development finance increases the risk of profound disturbance of the social equilibrium if hasty (forced) decision-making takes place under pressure from foreign aid. In certain cases, so-called efficient decision-making, which deliberately abandons the consensus model, the risk of disruption of peaceful co-existence may be increased, especially when such decisions are driven by impatience and based on technical advice from persons who have insufficient understanding of the complicated and sensitive Surinamese society.

The development effort in the area of planning as outlined above is substantial, but a number of favourable circumstances and prospects have been built in, which will increase the chance of success. In this respect the following comes to mind:

1. A political system based on consensus, peaceful coexistence of various ethnic, cultural, religious and language groups and relatively low criminality.
2. A strong planning tradition, which goes back to the 50s of the previous century in which a “strong Planning Office” played a key role, based on existing planning legislation and bodies.
3. A rich archive of the research results, plans and planning activities that may be updated.
4. Experienced persons who were active in the “old planning machinery” and whose skills can be used for short-term solutions but also for training and mentoring of new staff.
5. The new international policy and planning paradigm as laid down in the SDG.
6. Existing programs in the financing sources of the International Development Partners to strengthen the statistical, analysis and planning capacity of especially small developing countries.

The Surinamese Planning Machinery is the functional entity of institutions and organizations which play a political – administrative and/or (planning) technical role in the planning process and in the production of the plans, programs and projects, contributes to the plan preparation, approval, implementation, monitoring and evaluation. The political – administrative component lays down the following points of departure for the planning: what do we want to achieve and under which condition? The future vision, the development goals, the principles and the core values that will be applied to achieve these. A technical component, so our technical experts, provide the road thereto; the (scientific) methods and techniques that are necessary to a) translate our development visions into structured plans, programs and projects, b) successfully implement the plans, c) monitor the implementation and d) evaluate whether the implementation has had the desired impact.

The conceptualization and operationalization of the Surinamese development body is preceded by a clear vision of the planning machinery, which may be outlined as follows.

The core of the proposed structure for a national planning machinery (see Schedule IV.2.1) identifies three formal entities which are linked with each other and interact with each other in a specific manner. At all levels, one of the options to control the various policy and technical units, is the functional participation of the following institutions:

- 1) The President of the Republic of Suriname as the highest and leading authority in the national planning machinery (Supported by the Vice-President and the Minister of Finance).
- 2) The Ministry of Finance.
  - a) Policy coordination: integration of the microeconomic, fiscal and monetary policy as it is expressed in the Budget, the Financial Policy Document and the Annual Plan must by means of policy coordination, be compiled within a consistent whole of policy measures and expenditures, in line with the Development Plan.
  - b) Coordination of current matters concerning planning. In the current political – administrative system, the President can assume this task himself or delegate this. At present this task is delegated to the vice-President. In the revised planning act this will be regulated in a sustainable manner as a result of which the Suriname Planning Institute for National Development and the preparation of the Development Plan<sup>23</sup> will finally be placed politically-administratively.
- 3) The Suriname Planning Authority for National Development, established by law which does not belong to the central government bureaucracy<sup>24</sup>, is the (most important) driver of our decentralized development planning:
  - a) promotes integration of planning activities in all phases and at all levels and areas.
  - b) optimizes the quality of the plans and plan implementation by strengthening the capacity of planners, planning organizations and planning institutions.

As regard the initial decision-making and preparation of legal and other formal government institutions, it is desirable already now to describe in more details the possible rule, the tasks and the mandate of a Development Authority.

#### 1) **Mission and vision.**

Mission. The Institute is the junction that optimally integrates the decentralized planning of Suriname's development into a coherent development strategy, long-term plans and short-term action programs. The following is central in this mission of this national planning body

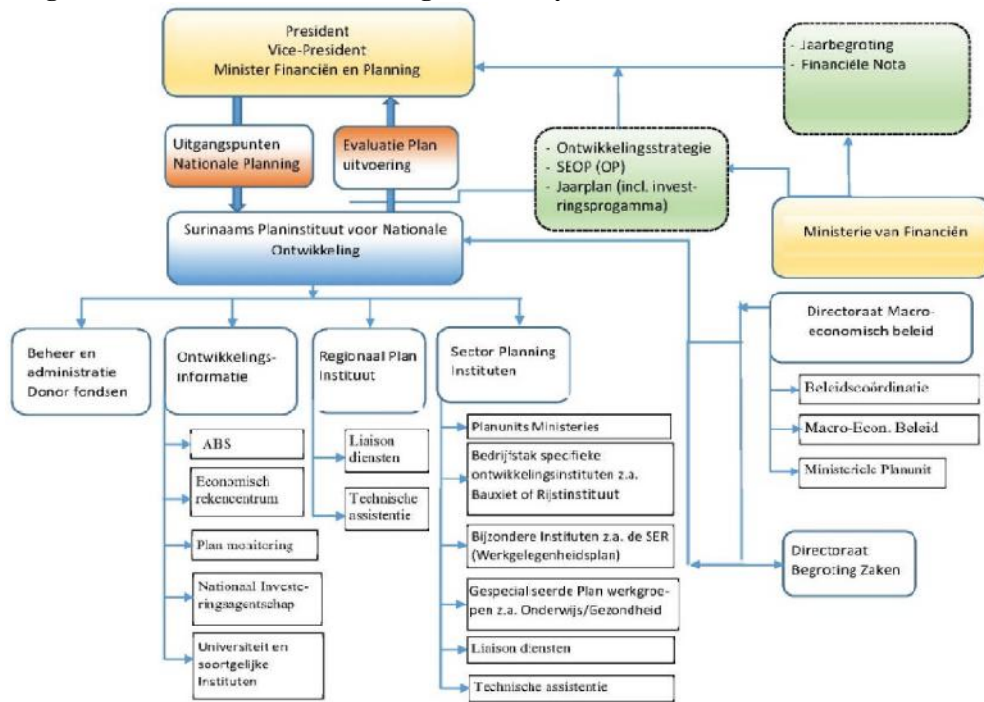
- a) propagating the Surinamese development strategy,
- b) establishing, stimulating and strengthening decentralized institutions by providing information, services and
- c) optimizing their mutual cooperation and programs and networks as a result of which advantages of synergies and economies of scale may be created.

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<sup>23</sup> As referred to in the Constitution (art. 40)

<sup>24</sup> As public legal entity, the legal form of the National Planning Authority could be "sui generis".

**Diagram IV.2.1 Overview Planning Machinery**



Source: SPS

## Vision: Principles and basic values

- a) Continuously propagating, promoting and strengthening the decentralization idea and practice.
  - b) Optimizing communication, production and exchange of information.
  - c) Policy coordination.
  - d) Specialist (professional) services to the decentralized (autonomous) policy and planning institutions.
  - e) Professional monitoring and evaluation of plan implementation, where necessary adjusting.
  - f) Management and administration of development funds (where necessary) including inventory and documentation of the duty to report of managers of various development funds.
  - g) Facilitating, supporting and promoting a coordinating investment institute and strategy.
- 2) Internal organization and integration of political-administrative and plan-technical processes. The political and technical leadership of the institution, which takes office and steps down with the government. The plan technical staff/functions which have a “normal employment” and are the “capital” of the Institute.
  - 3) Tasks and organization structure: four departments: 1. Regional Planning; 2. Sector planning; 3. Development information; 4. Fund management and administration, reporting, monitoring and evaluation.

With a sustainable structuring of the planning function in the country, within a short period of time results will be created and the impact will be visible, considering the urgency of the need for sufficient planning capacity. The requirement transition measures and structures will be developed on the basis of the existing situation.

### **IV.3. State, Private Sector and Institutional Change**

“The economic system within which the social and economic development is taking place, is revised by joint, simultaneous and equal functioning of state-owned enterprises, private enterprises, enterprises in which the State and private persons jointly participate and cooperative enterprises, in accordance with the relevant statutory regulations. Everyone is entitled to initiative for economic production. The right to the initiative for industrial property is laid down by law.”<sup>25</sup> By means of these provisions the Constitution implicitly guarantees the right to private enterprise, but at the same time stipulates that the Surinamese economy is a “mixed economy”. However, there is no specific law the Constitution refers to and which would further embed the right to industrial property. The legal guarantees for private entrepreneurs could be extended by means of such law and reduce the risk of investors.

#### **IV.3.1. Encouraging and Facilitating the Private Entrepreneurship**

In line with the statutory provisions the investment climate in Suriname is determined by the political culture of the country, in which private enterprise is valued, promoted and broadly supported. However, the limited capacity of the local business community to finance very big investments, just as the limited willingness to take risks, historically have driven state enterprises to certain sectors.

It is clear that for almost every private entrepreneur it is very difficult to compete with the Government. The impression that the government might become active in a sector will influence the investment behaviour of private persons. This in itself is an important reason for the government to observe some reluctance if it acts as investor/entrepreneur. However, in a typical economy of Suriname, government investments are almost inevitable in order not to miss chances for development. The government will act as investor only there, where local private capital indicates to have available capacity or insufficient capacity to seize the opportunities for economic growth. Also in those cases where the foreign investors are not interested or set unacceptable requirements for

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<sup>25</sup> The Constitution of Suriname, article 5 and article 26 paragraph 19 and article 44

their investments, government investments can be taken into consideration. To conclude, the government prefers partnerships with the local and international private capital.

The Development Plan 2017-2021 will provide in the need of (foreign) industrial entrepreneurs for security: the investor knows what he/she can expect in the coming 5 years. The formulation of Suriname Vision 2035 will fulfil a similar function for the long term. One of the goals to lay down policy is therefore to make the local and international investors who make in-depth investments in Suriname, partners in sustainable development and to attach to this special advantages and facilities.

Emphasis on the private entrepreneurship will be a guiding principle in this planning period. Under the influence of the common policy paradigms of the past two decades the aim is to assign to the private sector, in particular the local private sector, a bigger role in the development process. With making the subjective operational, all actors involved struggle with among others the following challenges:

1. The current economic, legal and institutional structure which evolved based on other policy priorities.
2. The investment challenges for local investors. On the one hand there are limited possibilities offered by the small local market dominated by the import. On the other hand Mega-investments are required to run a business in (certain parts of) the minerals sector, the “large-scale agriculture”, the energy sector and the tourist sector.
3. The national concern is that in the minerals sector, so the exhaustive resources of the country, only minimum benefit is gained by the multinational enterprises. The aim to give the private entrepreneurs in the sectors a bigger role is therefore hampered and the option for state-owned enterprises of joint ventures with foreign multinationals is always a rational and serious consideration, as the local private capital usually does not participate.

**Development, Institutions and Institutes** Institutional development is more than just establishing an organization, an institute. Institutions are in the first place social, economical, political and/or cultural by nature. Establishing an Institute while the underlying social or cultural basis is lacking, will most of the time not be too successful. Institutes are:

1. *The building block of social structures and with that of each society. The “regulate sustainable” social interaction in basic or fundamental areas of human behaviour in a structured (organization) manner and in this way they are:*
  - a) *regulating: individuals should continuously behave in an expectable (priorly determined) manner (pattern) and*
  - b) *normative: meeting these behavioural patterns are therefore seen as “good” and not meeting such patterns are considered “poor”, a sanction follows in case of noncompliance and remuneration in case of compliance.*
2. *That which gives legitimacy to the actions. In the ideal situations, social institutes have legitimacy:*
  - a) *sociologically: the norms on which they are based are “internalized” and*
  - b) *judicially: some institutes are embedded in the legal system by means of laws and institutes.*
3. *Evolved over a (long) period of time. They are an adjustment to the impact of internal or external influences, here we have the interest of institutions for structural change. Examples: the marriage, wage work and competition on the free market.*
4. *Usually classified in five “spheres” or systems: i) marriage and kinship, ii) social, iii) cultural, iv) political and v) economic.*
5. *In certain cases there is a formal organization in an institutional framework, in which an organization/Institute plays a central role for example the Health and Safety Inspectorate, the Standards Bureau.*
6. *Not for eternally. In order to “survive” the institutions must work (efficiently”, so ensure that people:*
  - a) *actually behave in a certain manner;*
  - b) *do things together despite the various goals/interests/conflicts they have;*
  - c) *institutions that do not work become irrelevant or disappear, so we make and maintain institutions and can also break them and*
  - d) *it takes much time to build (develop) them and they must be continuously “maintained”.*
7. *Some say: institutional development = development*

Overcoming these challenges demands an innovative (long-term) policy and planning based on realism with regard to the possibilities and impossibilities, which makes use of practical and effective public-private partnerships to implement a joint development agenda.

#### **IV.3.2. Privatization of state-owned enterprises**

As regard privatization of state-owned enterprises and other legal persons of the State, which are active or should be active in the production of goods and services, various arguments are brought up, fed by both political-economic and pragmatic considerations. On the one hand the goal is to assign a bigger role to private entrepreneurship in the economy and the development process. Complementary to this aim, it is usually stated that the role of the State must be reduced. On the other hand there are arguments of a more practical nature, such as simply the number of legal persons of the Government, which results in a lack of transparency, just as efficiency issues with for example management and coordination. Another important pragmatic argument is the pressure that these public organizations put on the state finances: a large part of these are fully or mainly dependent on these financial injections by the State for their survival. However, much “wisdom” about the state-owned enterprises and other legal persons in the public sector, is based on anecdotal information, starts from an invalid operational definition of “subsidy” and ignores the decision-making about what the state tasks are and how to organize these. The fact what the actual costs will be for the community if the performance of a government task must be done by a private or government entity, is often insufficiently worked out. In specific cases important arguments may be brought up for government initiative in the economy (see also paragraph IV.3).

In the national strategy for the privatization of parts of the public sector these and other issues and points of departure will have to be taken into consideration in formulating the goals and principles that will be followed. After all, the most important lesson that may be learned from other countries is that ill-considered and poorly prepared privatization may do more bad than good. In the first place a clear strategy based on empirical study is required, which a) accounts for the Public Sector Reform strategy and b) clearly states the consistent and verifiable goals for the privatization program, as well as transparent processes and procedures and identifies and kick-starts the required institutional change. Moreover, the scope of the strategy must be clear: this covers both privatizing of state-owned enterprises (legal persons) and guidelines for the restructuring and the transparent management of state-owned enterprises, which must be maintained.

The National Strategy for privatizing the state-owned enterprises and other legal persons and the national action program for privatization and improved performance of state-owned enterprises and legal persons, related thereto, will be completed and formally adopted before the end of 2017, to enable the start of its implementation no later than January 2018.

The key role of core institutes in the development process is the central theme in strengthening the development capacity. Projected growth levels are part of almost all (long-term) development visions, but the “big goals” of the development process are always the institutional or structural changes identified as growth/development-restricting factors.

Realizing these changes demands ongoing efforts over a long period of time and therefore consensus is a prerequisite for success. This concerns perceivable changes in the behaviour of individual citizens, groups, companies and organizations which will only be really possible if the underlying system of norms, values and thus also the remuneration for this purpose change in such manner that the society is better able to handle the (most important) challenges.

In a long-term development vision, the following institutional/structural changes in key areas are concerned:

- > Shifts in our economic structure and the underlying culture. Part thereof are the changes in the system of economic incentives, changes that are necessary to bring the behaviour of producers and consumers better in line with the objective requirements of our development



(internal functioning and environment). Two important (and urgent) goals of this change process are:

- improvement of the earning and spending structure of foreign currency, because it regulates the relationship of our small society with the global economic community; part thereof is increasing the efficiency and depoliticizing the monetary policy.

- minimizing the negative effects of the behaviour of producers and consumers on the (physical) environment and the social relationships.

> Strengthening of the capacity of local institutes (local experts) to identify the necessary changes, develop, facilitate or implement innovations, to monitor and to strengthen these.

> To develop the available human potential and keep this in line with the growth of employment, the current technology and prevailing productivity levels, efficient job allocation and remuneration, and establishing a society in which citizens feel happy.

There are many institutes in Suriname which are important for the development capacity. However, given the limited resources and the need to concentrate the development efforts to maximize the chances of success for specific development goals, in the Development Plan 2017-2021, six core institutes are identified as priorities for capacity strengthening:

1. The ABS (Information and statistical systems).
2. The National Planning Machinery (development and spatial planning).
3. The Anton de Kom University of Suriname (ADEK) (the knowledge sector).
4. A National Minerals Institute (Research and Development in the minerals sector).
5. A National Institute for Forest and Environment (Research and Development for forestry and the environment).
6. The Bureau of Standards (Certification of production processes and products).

Notwithstanding this list of priorities, the following important institutes are mentioned: Institute for the Promotion of Investments in Suriname (INVESTSUR – Dutch abbreviation), Customs; Court of Audit of Suriname; Central Audit Department (CLAD – Dutch abbreviation); Management Institute Land Registration and Land Information System (MI-GLIS – Dutch abbreviation); Meteorological Service, Bureau for the National Debt; the Tax Authority; National Institute for Environment and Development in Suriname (NIMOS – Dutch abbreviation); Telecommunications Authority Suriname (TAS); Suriname Tourism Foundation (STS – Dutch abbreviation); Hydrodynamic Department; Nature Management Service – National Forest Management, Foundation for Forest Management and Production Control, Soil Survey Service.

#### **IV.3.3. Promoting Investments, Entrepreneurship and Export**

Thinking about investments in the financing of the development of Suriname has not entirely been done separately from the experiences and the practice ever since the mega-investments in the bauxite sector in the 20s of the previous century and thereafter investments which became common with the Dutch Development Aid.

The tough reality of Suriname is that ever since the beginning of the 20<sup>th</sup> century, the investments of less than a few multinational enterprises and the Government have sustainably determined the economy. The institutional structure in the economy has been shaped in accordance with this investment experience. Accordingly, the perception of investment has for a long time focused on foreign meagre investments. In addition, the economic structure limits the depth of the investment strategy. Our country has not succeeded yet in formulating a sustainable development based on a vision for investments and to establish a modern institutional framework to that effect. And then the multitude of policy advisers about the investment climate, their depth and complexity has not really contributed to actual progress in this area.

In the midst of the 90s it became clear that the Dutch Government's investment as support engine of the economic development in the non-mining economy was definitely over. The bauxite sector, the previous mainstay of the economy, showed a fluctuating picture. As of the 90s of the previous century, the oil and gold industry emerged, as a result of which the dominance of the bauxite sector was gradually broken. At the beginning of the 21<sup>st</sup> century, the Surinamese economy recovered and

growth was increasingly achieved, driven by private investments in the export production of primary goods and the industry related thereto. The dominant role of government investments in the development process dropped.

Creating a favourable microeconomic climate<sup>26</sup> is not sufficient to attract investments in a small economy as Suriname. Creating the right climate and awaiting till an investor says to be willing to invest, leads to industrialization by invitation. A more proactive role of the government and partnerships of the government with the business community must promote investments. Especially now, this is a crucial requirement for a quick economic development. A strategic plan for national development must give direction to identifying investment options and will give investors an indication of the importance of their investment project in Suriname's development. This last-mentioned factor could be the basis for a long partnership with the country.

Ever since the 90s, by means of a combination of private and government investments, Suriname has financed its development itself. In 2001, the Investment Act was adopted, which, however, is still not entirely operational. So the country does not have a long experience with attracting especially foreign investments as a professional and specialist activity which is separately organized.

A big challenge for Suriname is making the transition from the old habits in attracting investments, to a professional and model-based approach. In this approach, based on an investment strategy by specialized national institutes, specific investments are promoted and facilitated, and decisions are made in this respect, based on established norms and procedures. This happens starting from on the one hand the national interests of Suriname and on the other hand a rational and actual analysis of the commercial interests and obligations of investors. Transparency and security are two fundamental principles, which will form the cornerstones of the policy and institutional framework for investments. These two principles will be incorporated in the following aspects:

- conditions that have to be met;
- rights/protection/equal treatment of investors;
- transparency;
- competition as regards investment options.

#### **IV.3.3.1 Institutional Framework to Promote and Facilitate Investments**

In addition to the microeconomic aspects of the investment policy, the lack of a specialized institutional framework to promote and facilitate investments, is a serious restriction in the development of Suriname. In this respect this concerns the lacking institutes but also the rules of the game: criteria, procedures, rights and obligations. The slow building of the specialized capacity and the network to attract (foreign) investors mainly relates to the lack of the specialized legal institutional framework. Based on the existing legislation, this is the operationalization of INVESTSUR.

Reaching a broad consensus on the foundations of a national investment strategy is therefore urgently required. If INVESTSUR is operational, this Institute, in cooperation with other institutes and agencies, could start a program for investment promotion within short, in any case on the basis of the Development Plan 2017-2021. In the medium-long term the relevant legislation, so the inherited institutional framework, can be modernized based on broad consensus on a long-term investment strategy and program. As a result, within short we can get clarity on key issues based on the following points of departure:

1. The investment policy and action program. These will be derived from on the one hand the Development Plan 2017-2021 and on the other hand from the plans of the local and foreign vendors and investors. Through the formulation and adoption of Suriname's vision 2035, the investment strategy will be further substantiated.

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<sup>26</sup> And compliance with the multitude of complex changes of the institutional framework in the economy

2. Transparency as regards investments. In order to attract bona fide investors and to accomplish an as favourable as possible negotiation position, Suriname will apply the following principles:

The basic investment conditions guarantee protection and equal treatment of all investors. These principles are included in Suriname's national investment strategy in a clear and detailed manner and are legally laid down as quickly as possible. Normative issues such as the type of property right, which investors expect, or industrial relationships which point out the cultural and other differences in a reference framework will become clear as a result thereof.

- a) Suriname's investment demand is periodically published at an investment symposium and this to local and international private investors, friendly nations and other partners.
- b) In case of big investments, whereby Suriname conducts proactive investment promotion, the aim will be to invite two or more investors for the identified options.

3. Making operational the legal institutional framework for investments. After initial consultation with all stakeholders the required additional legislation is formally laid down on grounds of which the Investment Act of 2001 and INVESTSUR become operational. In this respect the following guidelines apply:

INVESTSUR and other implementing institutes to promote, assist and grant incentives to investors, implement a national development strategy, the national planning and the microeconomic policy, will be established.

- a) INVESTSUR and other implementing institutes report with fixed periodicity on investment activities and incentives and facilities granted.
- b) Conflict of interest with the institutionalization of functional tasks in the process of promoting, assisting and facilitating of investors is identified, laid down and institutionally solved, in advance. This will prevent an Institute from being assigned tasks which verge on conflict of interest.

Based on the above presented approach, the long-term goal of the investment policy is formulated as follows:

**As a result of Suriname's investment strategy, the production and export growth increase in the period 2016 – 2020, driven by the growth of the investments in existing and new enterprises, especially in the priority regions and production clusters, by local, international private and public investors as a result of which the economy is more diversified.**

The following outcomes will be further elaborated in the policy and the results and action programs of the relevant ministries and institutes:

1. As laid down in a strategic investment plan with goals, investment options, priority sectors, principles, institutes and targets, the investments in Suriname have increased.
2. Procedures and decisions on investments have been formalized with safeguarding transparency, security and equal treatment with investments and interests of Suriname.
3. Specialized, autonomous national investments institutes conduct an effective investment promotion program with due observance of the investment loss and policy, which increases the investments to projected levels and as a result of which the production and export grow in an accelerated manner.
4. The capacity for marketing Surinamese products of the priority clusters in markets to which Suriname has formal access, has increased.
5. The priority sectors in Suriname's strategic development plan have been established and constitute the focus of the efforts of the specialized investments institutes that implement the investment promotion policy.
6. A special program of investment options and guarantees has been developed by the specialized investment institutes for local investors especially the so-called institutional investors.
7. Special financing modalities have been elaborated for special enabling investment projects, such as an industrial park and an Export – Import Bank.

8. New entrepreneurship is encouraged and training, mentoring and incubator facilities strengthen the capacity of new entrepreneurs.
9. Special financing modalities such as the SME fund for (starting) enterprises encourage the setup of new enterprises and strengthen their production capacity.
10. Economic laws and regulations have been modernized and facilitate the entrepreneurial, investment and trade climate.

#### IV.3.3.2 Promoting Entrepreneurship

The Coalition Agreement 2015-2020 of August 10, 2015 lays down the intention of the Government to outline an innovative growth strategy “in which entrepreneurship... .. will be strongly stimulated” (page 10) and partnerships with among others the business community will be central. This is in accordance with the approach of the Development plan 2012-2016 about partnerships, which specifically identifies the enterprises as:

1. Commercially oriented state-owned enterprises.
2. Private enterprises:
  - a) National entrepreneurs for policy objectives distinguished into:
    - i) micro enterprises including the enterprises in the informal sector;
    - ii) small and medium-sized enterprises;
    - iii) cooperatives;
    - iv) large enterprises.
  - b) Private foreign entrepreneurs including (large) multinationals.
  - c) Non-profit legal persons that participate in economic transactions.

Entrepreneurs lead and/or assess the economic organizations and with that in fact everything has been said about the importance of entrepreneurship in the development of Suriname. However, not every entrepreneur, so owner of a company, is at the same time also the manager of his/her company. Every organization needs leaders who are enterprising, so have feeling, understanding and vision for the continuity of the organization, persistent and disciplinary therein, but also manage in an innovative manner. Although some attribute this solely to private entrepreneurs, being enterprising is also necessary in the government organization, state-owned enterprises and non-profit organizations. In successful non-profit organizations we therefore also find very good, successful entrepreneurs. The system of (social, cultural and economic) incentives in a society encourages entrepreneurship and remunerates both profit- and non-profit-based organizations. Enhancing entrepreneurship must be outlined and implemented within this context. In the process, emphasis will be laid on entrepreneurship with commercial companies.

The current status of the entrepreneurship in Suriname becomes evident from the size and composition of the working population, in particular the size and composition of the category “persons who work at own expense”, the so-called self-employed. A comparative overview in table IV.3.3.2.1 shows that almost 20% of the working population in Suriname is self-employed: 5% is entrepreneur and 12.8% is a self-employed person (has an own business but employs no employees). As far as these indicators are concerned, Suriname does not score poorly compared to countries in the region and the USA. The high numbers for self-employed in Jamaica relate to the high degree of informality of the Jamaican economy: a large part of these self-employed is engaged in surviving activities in the informal economy. Of course this does not mean that there is no room for improvement, but these numbers show that the entrepreneurship in Suriname is “not under pressure”.

Table IV.3.3.2.1 working people according to work status in 2005

	Total (X1000)		Employees	Independent			Other	
	#	%		Subtotal	Employers	Self-employed		Family business
Suriname*	117.4	100.0	79.3	19.9	5.1	12.8	2.0	0.8
Jamaica	1 091.7	100.0	62.0	37.6	3.1	33.3	1.3	0.4
Trinidad and Tobago	574.	100.0	79.0	20.1	4.4	14.8	0.9	0.9
United States	141 730.	100.0	92.5	7.5		7.4	0.1	

Source: Key Indicators of the Labour Market (KILM) 9<sup>th</sup> edition, for Suriname from ABS Labour Market Statistics 04-08 \* Numbers for the districts of Paramaribo and Wanica

In the Development Plan 2017-2021, the strategy to promote entrepreneurship has been identified as:

**The set of measures aimed at increasing the profitability and sustainability of enterprises by increasing the skills of the entrepreneur and the enterprise, where possible facilitating and supporting the business operations and improving access to markets.**

For specific categories of enterprises as specified above, this policy is of (great) importance, while for (large) companies certain aspects of this policy have little relevance. The need or demand for “services” of and/or facilitation by the government, differs according to the nature and size of the entrepreneurs and enterprises. The policy that should promote entrepreneurship will therefore have to be conceptualized and elaborated per target group. This leading principle is the new orientation in this respect. Instead of trying to support the entrepreneur in general, in the new orientation the empirically substantiated customized policy and action programs will be developed for concrete categories of entrepreneurs and enterprises with demonstrable challenges and opportunities, which will be implemented by specific “supply mechanisms”. This last-mentioned is important because an Institute cannot optimally serve all types of clients. In short, in the national development strategy the point of departure in promoting entrepreneurship is: “one size does not fit all”. To conclude, the issue of policy and program coordination plays a role. Policy and measures to promote entrepreneurship cannot be seen separately from a) the macro-economic policy and b) policy and action programs of the line ministries in particular the Ministry of Trade and Industry, which is in charge of the care of the trade and industrial policy. However, there are also other ministries responsible for aspects of this policy area. Integration of these policy and action programs is essential to ensure an optimal impact of measures and spending. The setup of specialized autonomous or semi-autonomous institutes, which are in addition public-private partnerships and placed in charge of the implementation of the policy to promote the entrepreneurship is essential:

1. to ensure the policy coordination.
2. to have entrepreneurs play the leading role in the implementation of the measures and projects which should promote entrepreneurship.
3. to guarantee the size of implementation, which is not hampered by government bureaucracy.

The strategy in this respect is:

**As a result of the Surinamese investment strategy the production and export growth has increased in the period 2016 – 2020, driven by the growth of the investment in existing and new enterprises, especially in the priority regions and production clusters, by local international private and public investors, as a result of which the economy is more diversified.**

The following outcomes will be further elaborated in the policy and the results and action programs of the relevant ministries and institutes:

1. As laid down in a strategic investment plan with goals, investment options, priority sectors, principles, institutes and targets, the investments in Suriname have increased.
2. Procedures and decisions on investments have been formalized with safeguarding transparency, security and equal treatment with investments and interests of Suriname.
3. Specialized, autonomous national investments institutes conduct an effective investment promotion program with due observance of the investment loss and policy, which increases the investments to projected levels and as a result of which the production and export grow in an accelerated manner.
4. The capacity for marketing Surinamese products of the priority clusters in markets to which Suriname has formal access, has increased.
5. The priority sectors in Suriname’s strategic development plan have been established and constitute the focus of the efforts of the specialized investments institutes that implement the investment promotion policy.

6. A special program of investment options and guarantees has been developed by the specialized investments institutes for local investors especially the so-called institutional investors.
7. Special financing modalities have been elaborated for special enabling investment projects, such as an industrial park and an Export – Import Bank.
8. New entrepreneurship is encouraged and training, mentoring and incubator facilities strengthen the capacity of new entrepreneurs.
9. Special financing modalities such as the SME fund for (starting) enterprises encourage the setup of new enterprises and strengthen their production capacity.
10. Economic laws and regulations have been modernized and facilitate the entrepreneurial, investment and trade climate.

#### IV.4. Trade

The openness of the Surinamese economy is one of the most characteristic aspects and characterizes the development problem. The “Trade – to – GDP” ratio is the indicator which is mostly used to indicate the openness of an economy: (see table 18 in the statistics Annex): the score for Suriname was 19.1% in 2015 but that is a substantial drop compared to the period 2011 to 2012. Although the score of Suriname does not stand out compared to other very small Caribbean states, the importance of this indicator only becomes really clear when it is compared with that of bigger countries (see table below) This score indicates how dependent consumers and producers are on both imports and exports, while it also gives an impression of the importance the foreign exchange reserve and foreign-exchange movements have on the price levels and the economy in general. But what is striking in this series of data is the rise of this indicator, mainly as a result of increased export value (of gold) but also of the imports, the latter being the result of the expansion of the capacity to import.

Table IV.6.1: Trade – to – GDP ratio\* (percentages) for selected countries 2000,2005 and 2010-2015

Countries	2000	2005	2010	2011	2012	2013	2014	2015
Barbados	88.8	95.7	96.6	91.5	89.9	87.1	84.9	81.2
Brazil	22.6	27.1	22.5	23.7	24.8	25.6	25.1	27.4
Guyana	206.8	203.8	131.3	140.8	145.3	130.2	132.7	120.5
Honduras	120.4	136.5	109.4	122.2	121.2	116.3	112.6	109.1
Jamaica		90.5	80.9	83.9	82.2	83.4	84.6	77.1
St. Lucia	105.4	118.3	111.7	107.7	103.4	100.7	95.0	95.3
Suriname	52.9	75.6	91.0	111.0	109.6	103.1	98.0	91.1
Trinidad and Tobago	104.9	105.3	90.3	105.8	96.5	85.7	75.9	59.9
Latin America & Caribbean	39.1	45.4	42.8	45.3	45.3	44.8	42.5	43.0
Low and medium income countries	50.9	60.9	53.6	56.3	55.4	54.0	52.8	50.1
The Netherlands	126.5	124.6	135.5	146.2	154.3	154.3	154.4	154.3

\* Source: World Bank national accounts data, and OECD National Accounts data files: [http://data.worldbank.org/indicator/NE.TRD.GNFS.ZS?name\\_desc=true](http://data.worldbank.org/indicator/NE.TRD.GNFS.ZS?name_desc=true)

The sum of the Imports and Exports of Goods and Services as a percentage of the GDP

Although the Trade – to – GDP ratio gives a picture of the openness, it cannot be derived from this that Suriname imports too much compared to other countries. The share of Suriname in the total global trade (see table below) gives additional information, on grounds of which an initial first impression can be formed, but more study is required. Suriname share in the global imports is clearly bigger than that of Trinidad and Tobago, but also of Guyana while both countries have a bigger population. This strengthens the first impression that Suriname imports more than similar countries in the Caribbean.

To conclude, the share of the trade in the GDP and the employment gives a picture of the importance of this sector in the economy. The above is evidence of the importance of the international trade but also of the structure and influence of local markets and the need to set strategic goals for the development policy.

Table IV.6.2 Share\* Suriname, Trinidad and Tobago and Guyana in global export and import, 2015

Country	Share in total world	
	Exports	Imports
Suriname	0.0040	0.0163
Trinidad and Tobago	0.0236	0.0113
Guyana	0.0030	0.0096

Source: UNCTAD database

\* "The share in the total world export and import of trade in goods for individual economies is calculated on the basis of world trade, inclusive of intra-EU (28) trade. The share of the EUS trade unit is calculated on the basis of world trade, exclusive of intra-EU (28)."

This concerns the following main area in the trade policy:

1. Participation in the international trade, the international organizations that set standards and regulations, regional integration and promoting exports.
2. Promoting national trade including increasing the efficiency of local markets.

#### IV.4.1. Participation in International Trade

The strategic goal for the trade sector is that:

**Suriname increases its opportunities for development of production, earning capacity and welfare of current and future generations by participation in the system of international trade and the regional integration processes.**

The following outcomes will be further elaborated in the policy in the results and action programs other relevant ministries and institutes:

1. Suriname participates in regional and international markets and the relevant organizations, starting from its trade policy goals formalized, operationalized, laid down and worked out into concrete action programs and sub-policy areas.
2. The results of research into and monitoring of the effects of trade agreements and (actual) trade flows on the development of the production and earning capacity just as the employment and existence levels of Surinamese citizens and companies are available to the Ministry of Trade and Industry and other public and private institutes.
3. In the implementation of its trade strategy, by means of strategic partnerships Suriname increases the physical and nonphysical infrastructure for international trade and our country increasingly becomes one of the central locations for the international trading transactions in the Guyana shield.
4. Suriname contributes to the solution of issues on the implementation of the European Partnership Agreement (EPA) with the CARICOM/CARIFORUM-group.
5. Export-Import Bank has been made operational and supports the local private sector.
6. A "Single Electronic Window" to facilitate trade leads to shortened and more transparent procedures as regards shipping and increases the efficiency and the access to logistic facilities.

#### IV.4.2. Local Trade: Market Institutes and Market Structure

Institutions are essential for the efficiency of markets and social-economic desired outcome. More access to markets, introducing quality standards, better consumer protection, increased competition and eliminating redundant government regulations, are the most important goals of institutional development in the local market as stated in the Development Plan 2017-2021. Market structure is increasingly more seen as the aspect of the economic and social policy, which sets borders at all

levels: national, regional and international. Markets are not only central in the discussion in the specialized international trade organizations. Also at a national level, due to the decisive importance for economic development, income and income distribution, market mechanism is an important aspect in the development strategy. The discussion about the market mechanism has evolved from making markets work, to making markets work for people and currently to making markets work for the poor. This evolution of the discussion about market mechanism emphasizes how broad and accepted “market mechanism policy” has currently become.

Due to several causes and circumstances, the local or national market is the (strategic) point of departure for almost all (autochthonic) Surinamese producers. Hence, the mechanism of our national market is important to view initiatives of local entrepreneurs, overcome the risks they take and with that increase their skills. Accordingly, it is also decisive for the sustainability of their enterprises and their capacity to break through at regional and international markets, starting from the local market. In short, the Surinamese market<sup>27</sup> is decisive for the formation of our national production capacity issues, such as market regulation, facilitation and support measures for “local entrepreneurs”.

As part of the strategy, it is also necessary to change the terminology from market control to market mechanism. The latter points to a more professional approach of what realistically seen, the government can achieve where it concerns guiding the behaviour of people and companies at markets and the instruments, which are most efficient for this purpose. In the first place the idea as if the government could control markets, so determine these unilaterally, seems to be unreal. After all, in times of (serious) market crisis this becomes almost impossible, while in “normal functioning markets” there is no need for this. The optimal functioning of markets is to a large extent influenced by macro-economic stability and growth. That is why a macro-economic policy which promotes this, is invaluable for the market activities and a prerequisite for success of the market mechanism policy. Of course, this is without prejudice to the importance, especially in times of crisis, of a system of positive and negative sanctions that ensure enforcement of the basic rules of the game of the market.

As regard the development of the local market for the period 2017 – 2021, the following objective has been formulated:

**Local markets function more efficiently and result in i) fair, stable prices and ii) sustainable consumption and production patterns.**

The following outcome will be further elaborated in the policy in result in action programs of the relevant ministries and institutes:

1. The regulations and standards, the institutions and the information systems that determine the access to and the incentives for the behaviour of consumers at the local consumption (sub)market(s) are more efficient and better geared to national, social and economic goals of our population.
2. Reform and strengthening of institutes, organizations and enterprises in charge of the regulating, monitoring or enabling functions in local markets are more efficient and better geared to national, social and economic goals.
3. The market results in fair and stable prices partly by increased and better market information and compliance with the existing legislation and legislation to be adjusted with regard to the rights and obligations of consumers, producers or importers.
4. Surinamese consumers and entrepreneurs increasingly have more sustainable consumption and production patterns, which lead to savings and diversification of our economy.

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<sup>27</sup> In the pre-TO period the policy on “structuring the open market” mainly comprised “the development and execution of international agreements and national laws that are intended to govern the cross-border movement of tradeables” (VanGrasstek, 2006, p. 1). Meanwhile this has expanded to issues such as subsidies and regulations on power of attorney.



6. Surinamese citizens have more access to local markets as consumer or producer and are better able to realize the opportunities offered by the market.
7. The international trade is organized in such manner that Surinamese consumers and producers through direct or indirect transactions, get access to the exchange of cutting-edge technology and products for consumptive or productive objectives with due observance of the statutory regulations.

#### **IV.4.3. Consumer Affairs and Policy on Competition**

That which is usually understood as “consumer protection” is in fact a sub-policy of the structuring of local markets. It concerns promoting the standards and value patterns, including the formal regulations that drive social and economic responsible market behaviour of consumers and traders and the care for the proper functioning of the institutes (organizations), that supervise the compliance with the “rules”: information, quantity and quality standards, competition standards, which must prevent monopolies and similar power concentrations and also proper functioning interest groups. The fundamental point of departure is that if the necessary legislation and the institutes are operational, conscious and organized consumers will be better able to protect their interests, than a paternalistic and intervening government.

This approach deviates from the traditional idea in our country whereby consumer protection is *only* seen as repressive action and market intervention on the part of the government. No single social system, so also not a “free market” is able to function sustainably without *positive and negative* sanctions and therefore the market mechanism policy may never be only based on negative sanctions. In the current strategy to transform the local market, protection is part of a much broader objective which extends to among other things empowering consumers and their organizations, maximizing the availability of market information, strengthening the skills of entrepreneurs and enterprise, to increase the formal and actual access of everyone to markets and to strengthen supervisory institutes.

In this strategic vision, entrepreneurs are also a target group of the policy: after all, they are both consumer and producer. For example, coordinated actions of various ministries, must promote the formation of input and sales cooperatives of small local producers. In addition, as part of the consumer protection policy, an active campaign will be conducted for Socially Responsible Entrepreneurship and incentives will be introduced, which are part of a set of positive sanctions.

In addition to incentives, determining basic rules of the game for the market and properly functioning, regulating and monitoring institutes, are a cornerstone of the strategy. In this respect, the point of departure is that standard-setting, regulation and sanctions are essential, but they may not suffocate economic transactions. It must be possible to conduct economic transactions with a minimum of regulations and costs. This will increase the competitiveness of producers: those who produce for the local, regional and international markets, importers and exporters and the retail. To be concrete, this concerns the following intentional areas and institutions.

1. Standard-setting is not only an aspect of consumer protection: it ensures the quality and safety of products so quality for money. It is also part of strengthening the industrial and export capacity of Surinamese producers, who in response to the establishment and promotion of Surinamese standards are able to improve the quality of their products and as a result can get access (more easily) to external markets, and which should facilitate branding of their products.

Based on the legislation on national standards<sup>28</sup>, in 2007 the Suriname Bureau for Standards (SBS) became operational. Considering the importance of standards for the industry, export promotion and consumer protection, the elaboration, adoption and implementation of a strategy for the introduction and expansion of standards will be started with no later than 2018. The following will be covered therein:

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<sup>28</sup> Standards by law of August 20, 2004 (Standards Act, Bulletin of Acts and Decrees 2006 no. 30)

1. The need for standards.
2. Promotion, information, documentation and training on standards.
3. The building of a national human capacity by stimulating and facilitating commercial and non-commercial services.
4. The establishment and keeping operational test facilities and services related thereto.
5. Promotion of coordination and synergies between agencies and organizations who play a role in determining, applying, monitoring and promoting standards. This includes the corporation with companies, institutes and organizations in charge of handling complaints of consumers, examining goods and promoting safety.

Policy on competition in a narrow sense<sup>29</sup> is the sub-policy of the market mechanism policy that covers the institutional framework to prevent abuse of power in market relations. Powerful market participants could abuse their power to eliminate or restrict the competitive mechanism. It is almost impossible to implement the policy on competition without specialized legislation. Such legislation must on the one hand prevent that such power concentrations are created and on the other hand to curb abuse by existing powerful market participants. The latter can be addressed by defining, tracking the undesired behaviour and punish perpetrators. Worldwide, heavy punishments are imposed on such violations because they can fundamentally disrupt the market mechanism with a long and far-reaching consequences for:

1. The resilience of the economy and the companies. Competition drives the innovation and productivity growth and is a condition for the creation of new companies. Elimination of the competition mechanism leads to stagnation, breeds corruption and causes other negative developments as well. As a result, the growth of the economy is prejudiced.
2. High prices and sub-optimal quality. If powerful providers have eliminated the competition mechanism, they are able to unilaterally determine (too) high prices and they do not need to deliver the best product at the lowest price. This increases the costs of livelihood more than necessary, while the high prices have the biggest impact on the poor.

As regards the development of the policy on competition, the following objective has been formulated for the period 2017-2021:

**The policy on competition and the legislation on competition optimize competition in Surinamese markets, and increased competitiveness and productivity of companies lead to micro-economic balance prices, which has positive effects on the standard of living and wage levels.**

The following outcome will be further elaborated in the policy in results and action programs of the relevant ministries and institutes:

1. The elaboration, laying down and promotion of the policy on competition contributes to the adoption of legislation on competition by the National Assembly and promulgation by the President in the planned period.
2. Competition in Surinamese markets as experienced by consumers and enterprises has perceivably increased, partly as a result of the policy and action program implemented by the institutes in charge of implementing the legislation on competition.
3. A decentralized, ongoing surveillance system based on professionally planned random samples is an accepted monitoring and promotion mechanism for socially responsible market behaviour and standards, and the computerized reporting system supplies statistically responsible monitoring reports about market behaviour.

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<sup>29</sup> The policy on competition in a broader sense comprises all measures and plans aimed at promoting competition in markets and, if interpreted as such, is a crosscutting principle that must be applied to many areas.

4. The designated institutes jointly adopt a strategy to promote standards for the industry, export promotion and consumer protection.
5. The combined effect of mainstreaming of the policy on competition in the strategy and measures of various ministries aimed at strengthening competition, enhances positive market outcome, improves the remuneration for innovation, productivity increase and market efficiency.

#### **IV.4.4. Input market for the Export Production**

Although Suriname has a small local market, the inputs for the export production segment are not restricted by the small size of the domestic consumption, but this market is guided by the demand at international markets for our export products. For example, the fact that there is no bauxite and alumina production anymore, caused a substantial drop on the demand side of this submarket, which is only partly absorbed by the gold sector. Despite the fact that there is no bauxite/alumina sector anymore, in a strategic sense, this market continues to offer enormous opportunities to local producers, if they are able to meet the demands of quantity and quality.

The study into the nature and size of the local input market should be the starting point for the implementation of the strategy for the local input market, which is formulated as follows:

#### **Local producers produce and supply a significant part of the inputs used in the production of primary and related industrial products for the international (export) market.**

The following outcomes will be further elaborated in the policy and results in action programs of the relevant ministries and institutes:

1. The (multinational) enterprises which supply export products for the international markets, grant local producers access to the market of “inputs for the export products for the international market”.
2. A package of measures is identified and implemented, as a result of which improper trade advantages of importing versus locally producing is compensated for the local inputs market.
3. Local producers develop the production capacity in order to, as per agreed date, immediately meet the quantity and quality requirements of inputs for the export production and solve logistic issues, if any.
4. The market information about “local input market”, so the specification of the nature and size of the goods and services, is produced, available and accessible to entrepreneurs/investors.
5. Incentives and certification programs to encourage/facilitate the link of the enabling sectors with the primary sectors are operational and effective.
6. Suriname has a modern system of intellectual property rights, which becomes operational in phases and with which on the one hand the international convention obligations are complied with, but on the other hand a) persons and businesses are guided and supported in a transition phase and b) Suriname’s interests are integrated in the legislation.

## Chapter V: Enabling Sectors

### V.1. Physical Infrastructure

The physical infrastructure for national and international transactions and transport in the form of roads, waterways, ports, airports, railways and associated facilities, mostly requires long-term investments, which usually are of service for decades to the national and international community, in the course of which in addition to the transport of people, production, export, transit trade, tourism and trade can be done in an efficient manner. The development of the infrastructure is therefore embedded in long-term development plans, which eventually must increase and stabilize the capacity of the economy in a sustainable manner. However, substantiating the implementation of basic infrastructural works in Suriname must be linked to the development of the national production, integration of Suriname in the region and the rest of the world. This is the case, due to the very small size of the population and the restricted local implementation capacity:

1. Dredging the Suriname River with the development of Paranam as industrial centre with all facilities to handle big Panamax ships and oil tankers to forward in transit, products to the South American continent.
2. Dredging the Nickerie River with the development of Nieuw-Nickerie as industrial centre, facilities handling big Panamax ships and all tankers.
3. The bridge over the Marowijne River with the development of Albina as industrial and tourist centre.
4. The bridge over the Corantijn River with the development of Apoera as industrial port.
5. Construction of a railway between Bakhuis and Apoera or Paranam for the export of oil, gas, alumina, and aluminium, timber and agrarian products.
6. Construction of a centre for the gas and oil industry along the Suriname River near Paranam after more certainty has been obtained about the gas and oil reserves in the territorial waters.

The decision about the implementation of the aforementioned large scale projects will be made based on consensus, as in this respect high-cost long-term projects are concerned. If possible, the projects will have to be implemented in collaboration with one or more neighbouring countries. The physical infrastructure is the basis of the development of a production economy. In particular, the availability of good roads, bridges and well-functioning structural works is indispensable in this context. Accordingly, the policy will be aimed at improving the road network and building the capacity of all ministries and their institutes by adequate facilities, such as the available office buildings, vehicles and digital equipment. Relevant trainings, courses, networks and technical guidance will be done regularly in order to improve the management and the quality of the maintenance, management and expansion of the physical infrastructure.

Harmonic development of the national regions strongly depends on a suitable road network which opens up both residential and production areas. Construction and improvement of the physical infrastructure is therefore approached as an important instrument to increase the competitiveness and development of the local economic activities. Improving, complementing and linking the settlements Apoera - Zanderij - Carolina - Patamacca - Langa Tabbetje, increases the opportunities for production sectors such as forestry, agriculture and mining, and ecotourism.

Improvement of the North – South and the East – West access roads will facilitate more efficient transport and open up future development poles. At the same time, during the coming planning period, we will work on the physical integration of Suriname in the South American region by connecting to the neighbouring countries.

The geographic location offers Suriname the possibility to acquire a ‘link’ position as transit country between the continents of Asia, Africa, Europe and the Caribbean with the continent of South America. The interconnection of the East – West Connecting Road with the road network of our neighbouring countries is of paramount importance.

The biggest part of the economic activities of the three Guyanas happens to take place in the coastal area where this connection is available. Participation of Suriname in the CARICOM, Initiative for the Integration of the Regional Infrastructure of South America (IIRSA), FTAA and MERCOSUR offers the opportunity to enter into a gigantic market of millions of people. The construction of permanent shore connections with adjacent neighbouring countries will enhance the integration process of Suriname. This will create new opportunities for trade and economic collaboration.

The sea level rise as a result of climate change makes it necessary for Suriname to pay even more attention to the coastal and riverbank protection. The young coastal area where most of the fertile agricultural land is situated, and a network of infrastructural facilities is available and where the biggest part of the Surinamese population lives, will be protected. Emphasis will be placed on a sustainable coastal protection and optimal water management. Conserving the estuarine coastal strip enjoys high priority, as the natural vegetation essentially contributes to the protection of the coast. The draft coastal protection act, which has been submitted to the DNA, will be dealt with and promulgated. The construction of natural and artificial works will be started with against the background of the gradual rise of the sea level.

The strategic goal of the policy with regard to the infrastructure concerning the coastal and riverbank protection is:

**Sustainable repair and maintenance of riverbanks along the coast and the rivers against the effects of sea level rise.**

The following outcomes will be further elaborated in the policy in results in action programs of the relevant ministries and institutes:

1. Stakeholders jointly implemented with due observance of adjusted laws and regulations, a long-term strategy which mitigates the effects of sea level rise, harmful human actions or meandering rivers.
2. Especially in the most threatened areas in the coastal area, the natural coastal and riverbank protection has been restored and further coastal and riverbank degradation has been limited by facilities against sea level rise and harmful human actions.

Due to inadequate irrigation and drainage works and an average precipitation of 2200 mm annually, sudden heavy rain showers mostly lead to flooding of large parts of the city and semi-urban residential areas. Protecting the coastal area depends on a proper drainage system. The development goal for irrigation and drainage has been formulated as follows:

**Proper irrigation and drainage of developing and production areas, residential and other special management areas by adequate facilities and physical infrastructure, adjusted laws and regulations and efficient administrative, managerial and financing systems.**

The following outcomes will be further elaborated in the policy in results and action programs of the relevant ministries and institutes:

1. As regards the developing or production areas, residential areas and special management areas to be technically distinguished and laid down by State Decree, irrigation and drainage plans have been adopted and management systems are operational in cooperation with the Regional Authorities, which are differentiated, where necessary.
2. Laws and regulations have been promulgated, which formalize and enable the establishment, efficient management and maintenance of the irrigation and drainage system.

3. Proper irrigation and drainage are guaranteed by a combination of national and local financing resources which are set up in demarcated production or residential areas and are managed in consultation with Regional Bodies.

## V.2. Transport sector

Transport is very important for the access and accessibility of various areas. A distinction is made in air, water and land transportation. The transport sector as life line from the economy is matched on the basis of legal provisions with the basics of safety, effectiveness and efficiency. The connection to international transport is inadequate, because of lacking infrastructure, technology, economic networks and physical conditions.

The quality of the transport sector will be improved by means of a coherent policy with regard to the physical infrastructure aimed at an integral vision of the transport of goods and persons. Given the fact that geographically Suriname is favourably situated, compared to the neighbouring countries, deepening the channel of the Suriname River is completely justified, in order to make it possible for Panamax<sup>30</sup> ships to call at Suriname. Through public-private partnerships a study will be conducted into the feasibility of this big international accessibility project. The longer-term goal is that:

**Transport activities, the organizational and physical infrastructure will contribute in an efficient, safe and effective manner to increasing the economic growth and social development, and intensify the contact and the trade between Suriname, the region and the rest of the world.**

The following outcomes will be further elaborated in the policy in results and action programs of the relevant ministries and institutes:

1. Partly by intensive participation in IIRSA and by making use of the transport potential of the country, the advantages of economies of scale will be utilized and the Surinamese transport system will increasingly be a hub for regional and international trade in and transport of goods (French-Guyana, Brazil) and similarly for passenger travel.
2. The organizational and physical infrastructure for the transport sector has been expanded and improved in line with the sectoral and regional development and investment programs and meets the international (including IIRSA) safety and environmental standards.
3. The increased knowledge, skill and productivity of the entrepreneurs and workers in the transport sector further increase the efficiency and safety of ports and transport sector and contribute to the solution of the lack of implementing capacity.

### Port and Industrial Center at Paranam

Dredging the Suriname river and constructing a seaport at Paranam is a project, which will function as a transit port, or hub and is strategically situated between Europe, Africa South America (Brazil, North America (Canada and Asia, (China). Products will be transported to North America, Brazil and the Caribbean via the Panama Canal. As a result, one of the objectives of the IIRSA is achieved, namely the function of Suriname as a trade gateway to Europe, the continent of South America and the Caribbean. Establishing an international shipping line and an international shipping dock facility will enhance the integration process and the shipping liberalization of North, Central and South America.

Given the fact that the biggest part of the economic activities of the three Guyanas and Venezuela take place in the coastal area, the **interconnection** of the East – West Connecting Road with the road network of our neighboring countries is of paramount importance. Both the northern and the southern East – West Connecting roads and the North – South Road between Apoera and Nieuw Nickerie have been mentioned as roads that will be part of the interconnection between the South American countries to promote the integration process. The participation of Suriname in the CARICOM and the trade relations with Brazil (MERCOSUR and UNASUR) will contribute to making the economy in the globalizing world resilient. With regard to the traffic between Suriname and French Guiana, codes of conduct will be agreed in order to have the traffic run smoothly and safely.

<sup>30</sup> The Panamax are the maximum dimensions of a ship (320.04 m x 32.31m x 42.26 m) with which it can just make use of the locks in the Panama Canal (Source: Maritieme [connector.com](http://connector.com)).

4. Active promotion of Suriname's medium-long and long-term plan and better regional and international familiarity with the options offered by the Surinamese transport sector, increase the level of local and international investments in the sector.
5. There is a master plan for investments in the infrastructure for transport, which includes a financing strategy.
6. Consensus is reached with specific stakeholders in the planning and implementation of the transport infrastructure.

Expanding economic opportunities is a spearhead of the policy within which air transport can contribute substantially. Institutional strengthening of bodies within this sector and bringing up for discussion the necessary laws and regulations, are priority areas which are worked on to achieve the desired result. In this respect it is also important to enter into new aviation agreements in order to expand the number of destinations. The ultimate goal is promoting passenger travel and movements of goods to, from and via Suriname.

Actors within the civil aviation sector will be made aware to adopt an integrated National Civil Aviation and Security Program, the Quality Control Program and a National Crisis Management Plan.

The aviation chain must be prepared in such manner in 2018 that they can act quickly, efficiently and effectively in case of incidents as well as accidents within the Surinamese airspace and at the various airports. The monitoring measures will be adjusted, leading to acceleration of handling goods to prevent unnecessary operational delay. In order to improve flight safety and accessibility of local communities in the interior, the infrastructure of the airstrips in the interior will be improved. By pursuing the open skies policy mainly to the Caribbean, the collaboration with the CARICOM and ACP (Africa, Caribbean and Pacific) countries will be promoted in the field of aviation. Suriname will play a central role between the South American mainland, Europe and the other ACP countries with special international mobility benefits. Within the process of integration and liberalization, geographically Suriname has a very strategic location in the northern part of South America, since the Zanderij International Airport has the longest runway in the north of South America. The purpose of the policy with respect to air transport is aimed at:

**Developing increased volume and safety of air traffic and the related activities to facilitate tourism, the other travelling public and trade.**

The following outcomes will be further elaborated in the policy in results and action programs of the relevant ministries and institutes:

1. The flight movements and destinations have increased both nationally and internationally.
2. Better infrastructural facilities, modern equipment and sufficiently qualified experts increase the safety and capacity of the airports to render services to a bigger number of flight movements and destinations.
3. Laws and regulations have been adjusted in such manner that a functional categorization of airports and the specification of required safety professions are in force, in particular with regard to: fire safety, First Aid provisions, fencing.
4. Information campaigns, stakeholders meetings and strict supervision on the compliance with the safety regulations create a culture of safety among all parties involved.
5. A strategy for the physical infrastructure for the domestic aviation has been adopted, which provides in a) categorizing airfields based on their role and function and b) four hubs being operational, which must make air traffic more efficient, by maintaining the two existing hubs (Zorg en Hoop and Nickerie) and the construction of two new hubs (the Brokopondo area and the Marowijne area).
6. There is a master plan for investments in infrastructure for transport which includes a financing strategy, including the investments in the aviation sector.

The increase in the quality of the inland shipping with better facilitation will stimulate the domestic water transport. The legal and technical facilities will be adapted to ensure the safety and quality of water transport. Relief of the roads will be achieved by encouraging freight transport over water and by imposing tax on cargo transport over land. The development goal for water transport reads as follows:

**The volume of water traffic has increased and the related activities have grown and are safer and facilitate tourism, the other travelling public and trade, in particular the transit trade.**

The following outcomes will be further elaborated in the policy in results and action programs of the relevant ministries and institutions:

1. The shipping movements and destinations have increased both nationally and internationally.
2. Better infrastructure facilities, modern equipment and adequate qualified expertise increase the safety and the capacity of the sea traffic to provide services to a larger number of shipping movements and destinations.
3. The Suriname river is more navigable and thus the capacity of the ports of Paramaribo and Paranam has increased.
4. Information campaigns, stakeholder meetings and strict monitoring of the compliance with the safety regulations create a safety culture among all concerned.

The implementation of a National Road Plan in conjunction with the opening of residential areas and communities across the country, will create the conditions for access and above all affordable land transport for every Surinamese. We will work on laws and regulations for the construction of roads in accordance with international standards. This will result in a smoother flow of traffic. The land transport will be restructured, thereby leading to regulation of the sector, making the policy on passenger travel and movements of goods geared to the potential and the needs of the different regions. With the regulation, attention will be paid to the subsector Public Transport. In cooperation with relevant institutions and private organizations, a traffic plan will be developed and implemented. In this respect the problem of parking will be addressed and the commercialization of parking places will be encouraged. The development goal for overland transport is formulated as follows:

**Transportation on the road of people and goods is safer and has increased and it facilitates local and foreign tourism, it generally increases the mobility of the population and promotes the trade, especially the transit trade.**

The following outcomes will be further elaborated in the policy in results and action programs of the relevant ministries and institutions:

1. There is a structure and a road plan, based on the long-term national strategic development plan (Vision 2035), in which the planning is included for more efficient passenger travel and trucking transport in our country, also as part of the regional development and population planning.
2. An information system for the data collection, processing and storage on road infrastructure, its maintenance, the nature and frequency of traffic movements is operational and facilitates the planning and management of traffic flows as well as the monitoring of the use and maintenance of the road infrastructure .
3. An appropriate monitoring system is operational, which on the basis of adjusted laws and regulations relating to standards for the various categories of road, exercises the supervision and the monitoring of the construction and maintenance of secondary and tertiary roads (including the associated bridges and culverts). Construction and maintenance of the necessary road infrastructure



and the facilitation of the transit trade with French-Guyana and other neighbouring countries increases the services related to the transport sector.

### V.3. Energy and Water Sources

#### V.3.1. Energy

The availability of energy is a necessary link in the social economic development of the society. Electricity is an indispensable condition to develop the production sectors. The Energy policy in the planning period 2017-2021 will therefore be aimed at the following spearheads:

1. Accessibility to energy for everyone who lives in the Republic of Suriname. For this purpose new generators will be purchased, power stations will be maintained and distribution networks replaced. Public street lighting will be expanded in the coverage areas. Among other things, the development of an energy profile for all districts, villages and communities in the interior will be further worked on.
2. A bigger effort to promote energy efficiency of among other things buildings, houses and street lighting. This is part of the implementation of the project Development of Renewable Energy, Energy Efficiency and Electrification of Suriname, financed by the IDB, which is aimed at promoting the application of alternative energy and encouraging energy efficiency.
3. Stimulating the use of renewable energy sources as part of an optimal energy mix. In 2016 the start was made with the preparations of the procurement process to attract experts to develop the Energy Sector Plan (ESP). The ESP will take into account the legal framework within which the electricity sector will function as of 2017.

In the graph below a prognosis is made of the demand for energy on the one hand and the capacity on the other hand. We may conclude that in 2030 the energy demand will have been more than doubled. This means that the necessary measures will have to be taken to increase the production capacity in order to be able to meet the demand for electricity in 2030. In this context, in this policy period various alternatives will be prepared and where possible implemented. Below some alternatives will be explained.

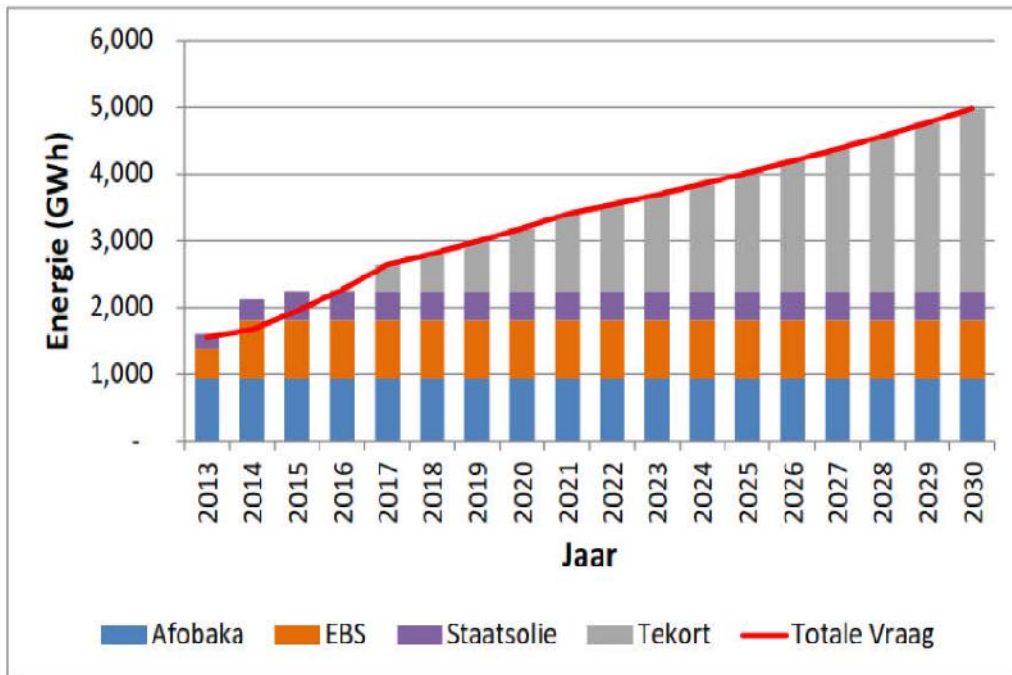
As we have big rivers with high tide and low tide, the possibility exists to install micro-hydropower plants along the big rivers. This possibility also exists in the direct surrounding of several villages in the interior. As in this respect clean energy is concerned, the prices in this branch will get special attention and be encouraged.

Taking into account the favourable circumstances for the agrarian production, in the future the production of biomass will certainly play an important role. This will have a favourable effect on land use, environment, employment, energy supply and import replacement. The policy will aim at stimulating the production of biomass. The suitable crops in this context are *Jatropha*, sugarcane, oil palm, coconut, elephant grass and others. The climatological circumstances are also favourable to cultivate algae with as application, the production of biomass.

#### The Electricity Act

The adoption of the Electricity Act and the Energy Authority Suriname heralds a new era in the electricity sector. The Electricity Act offers private companies the opportunity to supply electricity to the network. This implies that in the future multiple players will operate on the market. This implies that in the future, the price of electricity will be determined on market terms. The regulation is one of the tasks of the Energy Authority Suriname. In this context, the *Energie Bedrijven* [Energy Supply Company] Suriname (EBS) will be split into a production and a distribution company. The information to the broader public about these laws and the operation thereof will be improved. In order to guarantee the power supply in the future, the EBS will have to make the necessary investment in replacement, expansion and modernization of the current infrastructure. The required investment amounts to approximately \$ 580 million for the next planning period.

Graph V.3.1 Prognosis energy demand 2013-2030



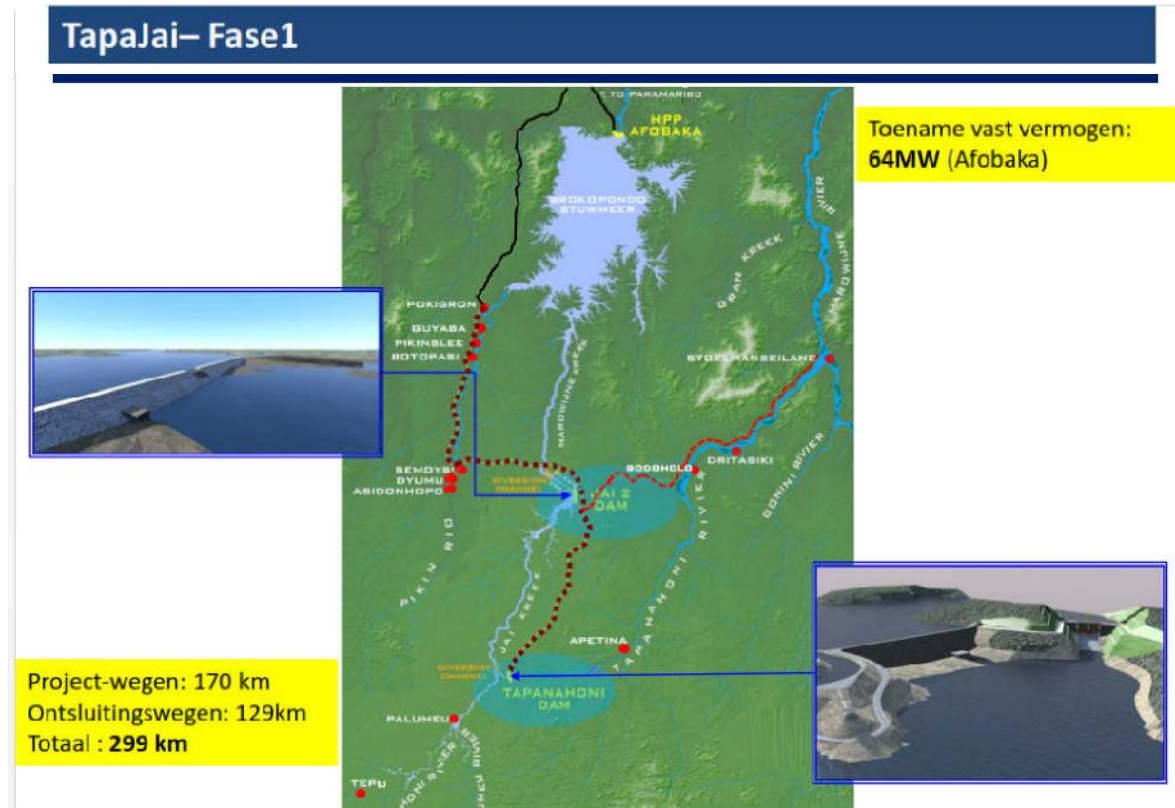
Source: Staatsolie

The physical environment of the interior offers interesting possibilities to set up hydropower plants. In the 60s the Afobakadam [reservoir] was constructed to generate energy for the aluminium industry at Paranam. In order to meet the future demand for energy, the capacity of the power plant can be increased by about 64 Mega Watt through the implementation of the first phase of the Tapanahony-Jaikreek hydropower project (see graph below). In the second phase the capacity will be increased by 182 Mega Watt. In addition to increasing the capacity of the power plant Afobaka, this project will also create a substantial accessibility of Southeast Suriname, in the course of which especially the controllability of the interior will be optimized. In this respect it is also important to clean the Tapanahony River and tributaries in order to minimize the possible unfavourable effects with the water control and to accomplish that the inhabitants of the interior are minimally affected by the side-effects of the projects. The ultimate decision-making with regard to the implementation of this project will be made in this planning period.

Application of solar energy to generate electricity is becoming increasingly interesting due to the progress of technology and dropping prices of panels and associated devices. The high initial investments to purchase and install still constitute an obstacle for a large-scale application of solar energy. The policy will be aimed at supporting this development partly due to the environmentally-friendly nature of this form of energy generation. At present, a number of solar energy projects is being implemented. Expansion of the number of projects largely depends on the available financial resources. We will work on developing the technical and specialist staff. The longer-term goal is:

**The electricity sector functions within the legal framework as set and in line with the national electricity strategy and national generation sources identified therein, supplies sustainable electricity to families, companies and other buyers at the lowest possible prices.**

The following outcomes will be further elaborated in the policy in results and action programs of the relevant ministries and institutes:



Source: Staatsolie

1. The Energy Authority Suriname ensures the compliance with the national electricity strategy and the electricity sector plan, including the reasonableness and fairness of the electricity rates.
2. The generation sources identified in the national electricity strategy have been developed by the stakeholders in the electricity sector and contribute to the continuity of the electricity supply.
3. The implementation of programs to reduce CO2-emission, application of an environmentally-friendly electricity generation and participation in international collaboration on the Paris Climate Convention (2015) creates new jobs and knowledge.
4. The electricity sector realizes a higher energy efficiency and lower cost prices by more intensive application of ICT.

### V.3.2. Water

The availability of healthy drinking water is a necessary link in the social economic development of the society. Drinking water is an indispensable condition especially as regards preventive healthcare. With the implementation of the water policy in 2017-2021 the priorities are as follows:

1. Establishing a number of new drinking water facilities; existing and/or old facilities and management areas must be re-innovated or maintained.
2. The following four drafts must have been approved and be in force:
  - the draft law “Supervision Drinking Water Quality”;
  - the draft law “Ground Water Act”;
  - the draft law “Ground Water Protection Areas”;
  - the draft law “Water Authority Suriname”.

A “National Water and Export Marketing Strategy” and an “Integrated Water Resources Management System for Suriname” will be developed. These strategies will need to help give direction to the national integrated water policy.

The Suriname Water Supply Master Plan (SWSMP) is deemed necessary by the Government to determine the investments required for the growing drinking water demand throughout Suriname up to 2024. The SWSMP has been developed to meet the future drinking demand. This project will secure the drinking water demand until 2024 through subprojects. For the drinking water supply in the coastal plain, the total cost is estimated at USD 253 million, while the cost of the drinking water supply in the interior is estimated at USD 30 million. The planned investments, as foreseen in the SWSMP, will result in increasing the production capacity in the coastal plain of 5,800 cubic meters to 11,000 cubic meters per hour. With respect to distribution, the investment will lead to the transportation and distribution of the produced water to the customer with sufficient water pressure. The remaining supply areas in the districts of Nickerie, Coronie, Saramacca, Commewijne and Marowijne of the Water Supply Department are transferred to the Suriname Water Company (SWM). With the aim to have the drinking water supply for the interior run more efficiently, the Water Department will be transformed into the foundation Interior Water Supply (Foundation DWB). Due to the small size of the various communities living in the interior, this foundation will probably not function on a commercial basis. The strategic policy regarding drinking water is as follows:

**Drinking water sector functions within the legal framework set to that effect and supplies sustainable drinking water to families, companies and other buyers at the lowest possible prices in accordance with the national drinking water strategy and the drinking water sources identified therein.**

The following outcomes will be further elaborated in the policy in results and action programs of the relevant ministries and institutes:

1. The Water Authority Suriname ensures the compliance with the national drinking water strategy and the drinking water sector plan, including the reasonableness and fairness of the drinking water rates.
2. The production sources identified in the national drinking water strategy have been developed by the stakeholders in the drinking water sector and contribute to the continuity of the drinking water supply.
3. The implementation of programs to protect against Mercury, pesticides, herbicides and other harmful substances, application of environmentally-friendly methods and participation in international collaboration on relevant environment and climate agreements, create new jobs and knowledge.
4. The drinking water sector realizes a higher efficiency with the water production and distribution and lower cost prices by means of more intensive application of ICT.
5. Commercial export of water strengthens the financial position of the Surinamese water producers and increases the sustainability of the drinking water supply.

#### **V.4. Knowledge Sector**

During the past decades the development of the economy has increasingly become more dependent on the opportunities for education, training, research and development of skills with regard to information technology. Based thereon, the knowledge sector has developed itself to an indispensable link within all sectors. The competitiveness of almost all companies is ultimately largely dependent on the knowledge sector. Hence, in the coming period the policy will focus on the development of the knowledge sector, in the course of which in first instance the prerequisites of available facilities for the companies will be improved by investments in information technology. Encouraging partnerships will be focused on, so that companies can more than ever share developed knowledge and skills with each other based on mutual benefit. In particular, strategic core institutions will jointly work on various research programs. For each sector a knowledge centre, so-called centres of excellence, will be developed so that joint research programs can be efficiently worked on, both nationally and internationally. Research institutes will be strengthened in performing research. Within this context the government will play a central coordinating role. In order to retain the specialized staff, specific provisions will be made to prevent brain-drain. The legislation on

intellectual property rights will be adjusted to encourage the business side of conducting research.

The strategic goal is formulated as follows:

**The knowledge sector develops itself, supported by the government but driven by the private companies, especially around centres of excellence in Suriname, which jointly, with certified technical staff, increase the development capacity of the companies, government and social organizations.**

The following outcomes will be further elaborated in the policy in results and action programs of the relevant ministries and institutes:

1. In collaboration with educational institutes, national and regional certification institutes will guarantee the quality and the level of training courses and graduates based on legal framework and a response to the demand for skilled technical and senior staff.
2. The activities of the Research and Development Institutes and priority sectors is guided by commercial services to the private business community and the production capacity of existing and new competitive companies is promoted and the Surinamese economy diversified partly by the financial contribution of the government to infrastructure for the sector.
3. The capacity of the knowledge sector to support the implementation of special ICT activities among other things in education, safety, e-business, e-government, outsourcing, has been increased.
4. In the knowledge sector, specialized centres of excellence are operational.
5. The access to knowledge institutes has increased in rural areas.

#### **V.5. ICT Sector**

Given the role of telecommunications in the educational, administrative and social development of the society, a sustainable development strategy for the Information and Communications Technology will be outlined. The Government is working towards a growing information society. Having access to affordable broadband services is one of the priorities of the Government. The access should lead to an increase in the use of ICT in different sectors. Work is underway to formulate a national strategy regarding broadband services. The ICT will be adapted to formulate a balanced development. Information located in different databases across the various ministries will be connected in order to formulate a national policy on this issue. The Government will make the necessary investments to achieve physical integration of all computer systems and systems to be set up within the machinery. The necessary investments will be made in the broadband internet connection in order to have the process of communication run flawlessly. Faster Internet connection provides a basis to develop the outsourcing industry. Other possibilities with an improved Internet connection is the creation of a "Safe City". Crime is brought to manageable proportions, increasing the sense of security. Education is also lifted to another dimension through distance learning. The development of the outsourcing industry will also make a substantial contribution to the GDP of Suriname.

The Electronic Communication Act will be amended. As a result, the actors in this sector will have more opportunities to exploit. We also work on the harmonization of regional laws and regulations, so that Suriname is tailored to the region. The TAS as a regulator in the sector, will stimulate new developments and technologies. The TAS also has the task to ensure a fair competition within the sector and that the actors adhere to the licensing conditions. The developments within the broadcast system will be further encouraged and supported. The process is continued to liberalize the communications sector. We will continue to work on opening up rural areas, so that the access to ICT is increased. The strategic objective of the telecommunications sector is as follows:

**To function within the legal framework set for this purpose and in accordance with the infrastructure identified for the national telecommunications strategy, provide services to local, regional and international buyers at competitive prices.**

The following outcomes will be further elaborated in the policy in results and action programs of the relevant ministries and institutes:

1. The Telecommunications Authority Suriname ensures the implementation of the national telecommunications strategy within the adjusted legal framework for the sector.
2. As a result of government and private investments and in accordance with the national ICT strategy, the physical infrastructure for the ICT sector has been expanded and the range of products and services is more diversified and of a higher quality.
3. The degree of coverage and capacity of the broadband network are in accordance with the national telecommunications strategy and increase the efficiency of the Internet communications, facilitate the operationalization of special activities (education, safety, e-business, e-government, outsourcing etc.) and the potential of the sector to provide services to international markets.
4. In the telecommunications sector, specialized centres of excellence are operational.
5. The access to the Internet has increased in urban and rural areas.

#### **V.6. Technical and Vocational Education**

The Technical and Vocational Education (TBO – *Dutch abbreviation*) will be adapted to the social need for technical and professional staff. The staff at the basis constitutes the backbone for innovation in the production technology. Very simple actions in the production cycle can result in significant and decisive changes, sometimes with very simple adjustments. The base lies in educating engineers who, due to their daily activities, develop more insight and skills in the production, so the probability of innovation increases. The Suriname National Training Authority (SNTA) will develop a national qualifications framework together with the employers' and workers' organizations. The framework will serve as a spearhead of technical and vocational education. At tripartite level (Government, business and trade unions), the technical and vocational education will be constantly attuned to all developments in science and technology. The policy goal regarding Technical Education and Vocational Education (TOV) and Training is:

**Producing certified individuals with the technical and social skills that allow them to function better nationally, regionally and internationally, to the benefit of their own and the national development.**

The following outcomes will be further elaborated in the policy and results in action programs of the relevant ministries and institutions:

1. The technical and vocational education has been transformed on the basis of a consensus strategy, prepared by the SNTA and integrated in the educational sector plan, based on adjusted laws and regulations which introduce the new national qualifications system and curricula with the associated quality control and certification.
2. The government, the business community and the workers contribute to the reformed financing system for the transformed TBO-system based on statutory regulations and to the maintenance and development of the TOV, and savings are generated among other things by optimal use of buildings, facilities, material and human resources.
3. A more (labour) market-oriented TOV makes use of a newly established labour market information system and other mechanisms so that it responds better and quicker to the changing demands.



**Part 3: Sector and Regional Planning: Sector and Regional  
Strategies, Decentralized Policy and Action Plans and  
Implementation Modalities**

## Chapter VI: Strategic Plans for the Production Clusters

### VI.1. Production clusters as “priority sectors” and as strategic concept

In the Development Plan for the coming five years, existing and new production clusters constitute the basis for the economic development of Suriname. In determining the direction of production the insufficiently used capacity of various production factors is taken into consideration:

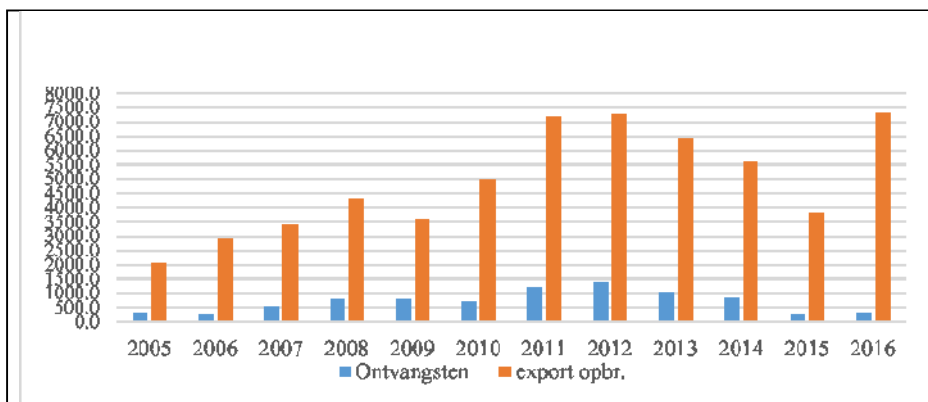
- natural resources, such as the rain forest, fish, potential agricultural areas and the rare minerals.
- Human resources: hidden unemployment within the government, national entrepreneurs and Diaspora abroad.
- Infrastructure that has to be repaired and/or better used.
- Installed production capacity.
- National savings that leak to other countries and opportunities for multilateral external financing and technical support.

The support of long-term investments in priority sectors is based on the potential for:

- Export expansion for foreign currency generation.
- Creation of employment.
- Expansion of the production base and import replacement.
- Possibility for higher added value.
- Development of the areas in arrears which are characterized by high unemployment and poor social and economic structure.
- Sustainable utilization of the environment.

The production clusters in the mining and extractive industry mainly consist of gold, oil, bauxite and kaolin. The mining sector substantially contributes to the economy in terms of exports, infrastructural development, creation of employment and economic growth. However, the government revenues are marginal compared to the export proceeds as becomes evident from the graph below. This must change in the new planning period. The government is in favour of a regulated and responsible expansion of the mining industry, including an improved regulation of the informal gold-mining activities. The mining policy is aimed at the preparation and adoption of legislation for the minerals institute and the mining act. The preparations of the minerals Institute will be substantiated in this planning period. The goal is to merge the Geological Mining Department (GMD), the BIS and the Suriname Gold Sector Regulation Commission (OGS – Dutch abbreviation).

Graph VI.1.1 Government revenues versus export proceeds mining sector 2005-2016



Source: CBvS, Ministry of Finance, mining companies; adaptation SPS



A successful extensive inventory has already been made of minerals and geological maps of the south border of Suriname, in cooperation with the government of Brazil and Austria. Increasing the transparency and reporting about the income and expenses from the mining sector will also be worked on. In this context, Suriname will join the Extractive Industries Transparency Initiative (EITI). The EITI standards will be laid down in the new act.

In the coming period, the small-scale gold-mining will be formalized in order to guarantee the revenues for the State in the form of royalties and taxes. Efforts will be aimed at eliminating the use of mercury to the benefit of the environment and the health of the citizens. In this planning period, preparations will be made for the restart of the alumina and aluminium industry. In this respect, the exploitation of the bauxite deposits in West Suriname is concerned.

## **VI.2. Production clusters in the Mining and Extractive Industry**

### **VI.2.1. Gold**

Suriname has large gold deposits and this is evident from studies conducted in the past by the operating multinationals, which have shown that many millions of troy ounces of gold occur in our soil. The gold sector is subdivided in the large-, medium- and small-scale gold sector. The large-scale gold sector develops the economically extractable large gold ore deposits with foreign capital, in the course of which the government participates as a shareholder. The medium- and small-scale gold sector, in which in addition to Surinamese also a large number of foreigners participate, exploit the gold ore deposits with local capital. The business entry costs are relatively low, mainly for specific areas and production methods, as a result of which increasingly more people try their luck in the areas in the interior. Although the demand for gold is stable, the prices fluctuate and thus the revenues for the government. This subsector has high wages and as a result a stable supply of labour. Better contracts with foreign companies will have a positive effect on the government and foreign exchange income of the country.

In the coming period, the monitoring of the total gold column will be done from a mineral institute especially established for this purpose. This institute will keep up to date both the national and international developments and prognoses. The medium- and small-scale gold sector makes a major contribution to the production and export of gold and foreign exchange earnings. About two-tenth of the gold is recovered by the small-scale gold mining. Every year more than 30 tons of gold is produced and exported. Gold accounts for approximately 60 percent of the total export value of goods. In-depth study of the sector should provide more insight into:

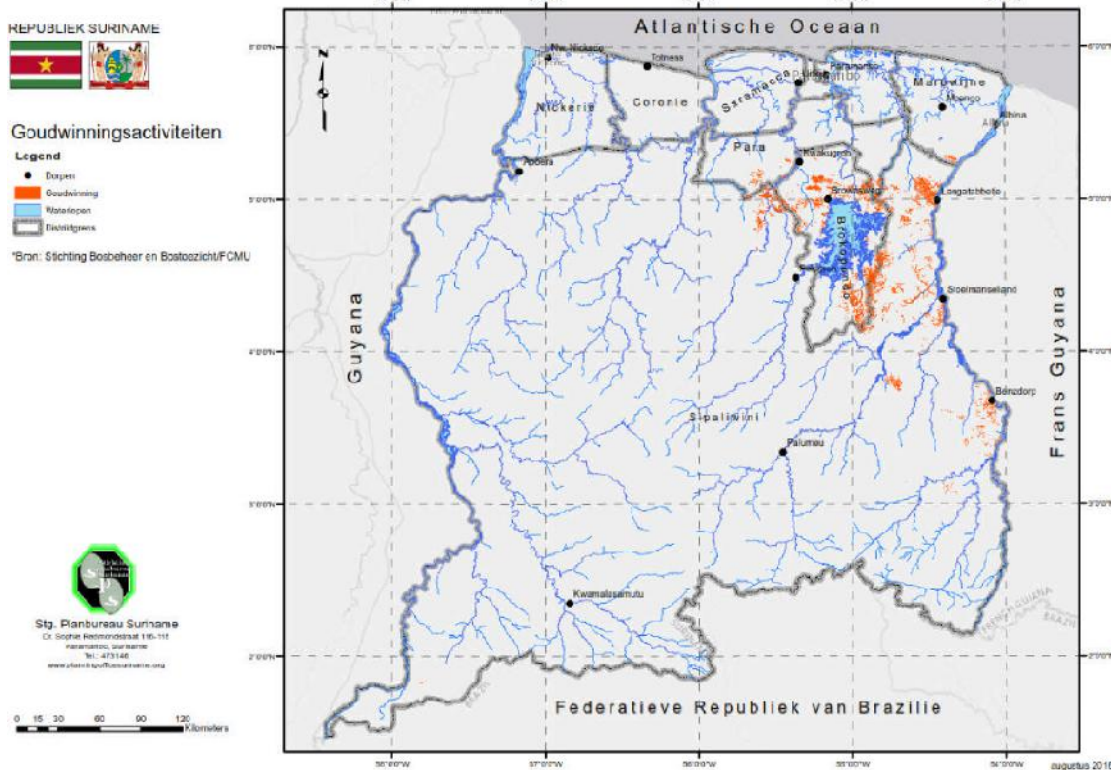
- Capital flows, methods of financing of the operations and the magnitude thereof.
- The employment (direct and indirect) and the employment benefits.
- The organization of the sector.
- The proceeds of the sector.

In developing the sector, it will need to move from an opaque, disorganized and environmentally polluting informal sector into a formal sector, which is transparent and where the contribution can be clearly identified in the national economy. The operators will have to develop into full-fledged small business owners, who understand that enterprising entails risks. Through advanced training methodology they will be trained in:

- Keeping a business administration and the importance of this.
- Exploration methods, prospects, using Global Positioning System (GPS) in the field and environmentally-friendly mining techniques.
- Use of mercury-free gold mining techniques.
- Rehabilitation of mined areas.

The potential for upstream activities will be better utilized, as a result of which revenues from services from domestic companies and individuals including food, fuel, equipment, maintenance and labour, will be increased. The informal scope in which the operation takes place, causes a blur on the flows, services and financial resources associated with the sector. In order to on the one hand fully identify the importance of the gold sector for the national economy and on the other hand the risks this sector constitutes for man and environment, the Government established the commission OGS.

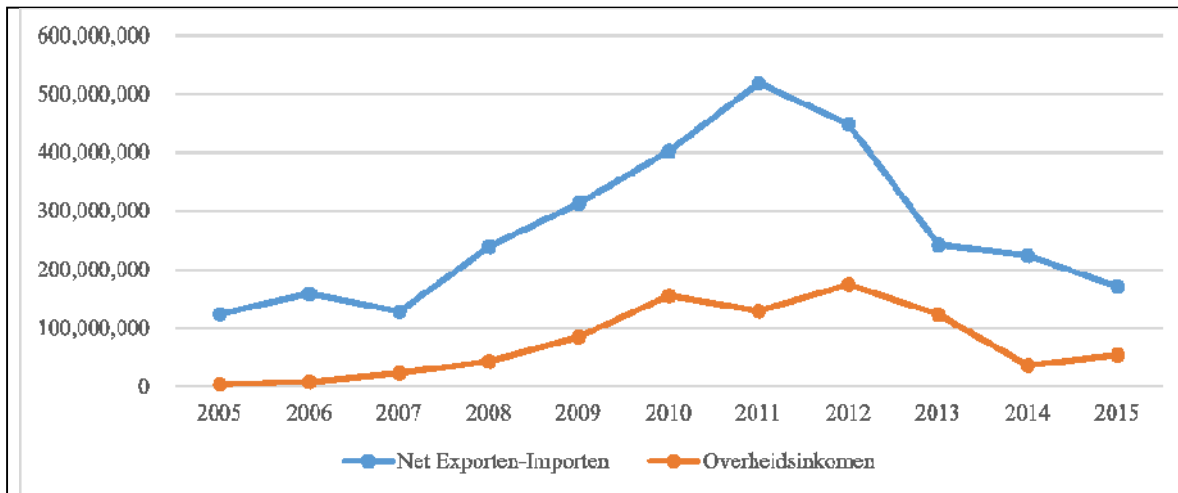
Graph VI.2.1.1 Areas of gold-mining activities



Source: SPS

Since 2004, via its subsidiary Rosebel Gold Mines (RGM), IAMGOLD has been operational in Suriname in the large-scale gold-mining sector. In the fourth quarter of 2016 the plant of Surgold, a subsidiary of the American Newmont Mining, started production. The government participates as minority shareholder in RGM. The government revenues from the gold sector strongly declined in the period 2011-2015, due to the low prices, drop in production and export volume and the depreciation of the companies, as a result of which no income tax was received (see table below). This situation will have to change in the coming period by making better agreements with the multinationals.

Graph VI.2.1.2 Development Net Export-Import and Government Revenues Large-scale Gold Sector 2005-2015 in USD



Source: Government institutes, adaptation SPS

Staatsolie participates in the operation of Newmont Suriname by 20% and the State of Suriname by 5%. Recently RGM obtained additional concessions for exploration and expectation, as a result of which the prospects have improved. The gold reserve has been estimated at 4.2 million ounces, which covers a production period of 11 to 13 years. The company has taken measures to rehabilitate the mined areas. For this purpose, USD 50 million has been earmarked. They have made provisions to set up nurseries for the production of trees, which will be planted in the mined areas to restore the ecological balance. The mining company Grassalco has mining rights in the areas Maripaston, Lelygeberge and Goliathberg. In Maripaston, the company has been using an alternative method for recovering gold since 2014. This concerns the "gravity concentration plant", with no mercury being used for the extraction of gold. With the use of water, the installation separates the gold and other heavy metals from sand. This method is applied to the concession Maripaston at Para, which was found to be mined by the small miners. It has been proven that there are still kilograms of gold, which can be produced on a monthly basis without the use of mercury.

In February 2015 the Kaloti Suriname Mint House (KSMH), a gold refinery, became active in Para. The refinery in which highly sophisticated equipment is located and the newest technology is applied, is the first of its kind in the whole of South-America. It is a joint venture of the firm Kaloti from Dubai, the Republic of Suriname and Surinamese gold traders. Purifying gold by means of refinery increases the export value. The company has a processing capacity of 60,000 kg gold per year. For Suriname, the gold refinery means an increase of the state revenues by means of tax levy, and also creates jobs.

The policy on the gold sector is formulated as follows:

**The central and local governments ensure that both the large-scale and the small-scale gold mining, which almost exclusively produces for export, have an as high as possible "retention percentage", plan with the companies in the gold sector the reduction of environmental and social damage, and guaranty, partly on the basis of the adjusted statutory regulations, sustainable management of the earnings from the gold sector.**

The following outcomes will be further elaborated in the policy in results and action programs of the relevant ministries and institutes:

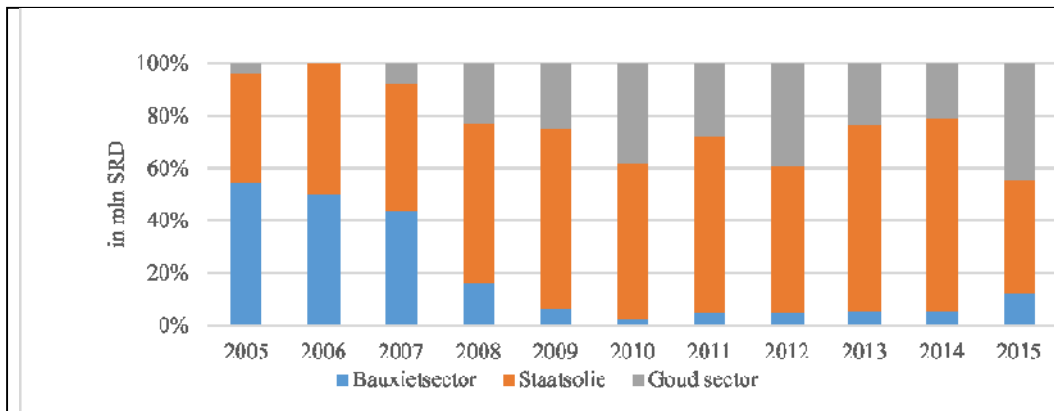
1. The gold sector has an optimal "retention percentage", there is transparency, monitoring of existing and better new contracts with multinational gold mining companies and the rest of the gold sector has been formalized.
2. Small and medium-sized enterprises in the gold sector have been formalized.

3. Application of environmentally-friendly production techniques of companies in the gold sector has reduced environmental deterioration and these companies rehabilitate the environment as planned with the central and local governments.
4. The earnings from the gold sector are managed in a sustainable manner by the central and local governments, which pursue a prudent fiscal policy, implement a responsible investment strategy and save, partly based on the adjusted statutory regulations.

## VI.2.2. Oil

Since the eighties of the last century Suriname has had an oil industry, of which the shares in exploitation and refining of gasoline and diesel are for one hundred percent owned by the State. This sub-sector has become the largest source of revenue for the government from the mining sector (see graph VI.2.2.1). Unlike the other natural resources, the policy of the oil industry is the responsibility of Staatsolie. The allocation of concessions for exploration takes place from this company. Although much work is done with foreign workers, the vast majority of the workforce is Surinamese and this company has become the flagship of the economy. There are intersectoral links with the rest of the economy, causing revenues to be earned by another part of the workers. Suriname also has potentially large oil reserves on-and offshore, which various studies have shown, and the discovery of large reserves in Guyana strengthen the suspicion that there are also large oil reserves in our part of the Guyana Shield. There are plenty of outlets for the oil products in the region and the sector creates relatively well-paid jobs, but there is still a shortage of specialized staff.

Graph VI.2.2.1 Contribution of Subsectors to Government revenues Mining Sector 2005-2015 in SRD mln  
Source: Ministry of Finance, adaptation SPS



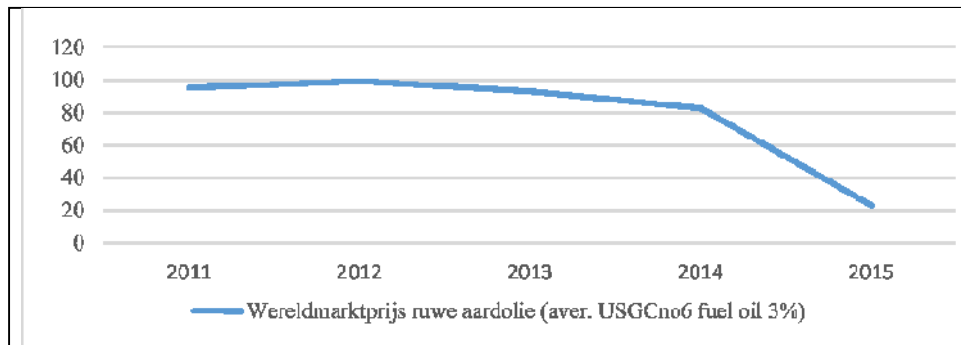
In the planning period attention will be paid to this by gradually adjusting the curricula of especially lower and secondary technical training to the needs of the sector.

Regarding alternative energy, studies will be conducted and in case of a discovery of gas reserves, the options of the use of gas and the distribution thereof will be further studied. The possibilities with regard to other products in the "downstream" of oil, such as urea, will be taken into consideration.

In the past period Staatsolie has increased the exploration activities on land and on the coast of Suriname. The aim is to increase the reserves in time to keep feeding the refinery and not to be dependent on imports. The exploration activities focus on:

- Exploration onshore and near shore by Staatsolie;
- Offshore exploration by multinational corporations.

Explorations on- and near-shore have not yet yielded significant economically recoverable reserves. The past two years and certainly this year, the exploration activities have come under severe pressure because of the very low prices for crude. These prices have led foreign companies, but also Staatsolie, drastically reducing their capital expenditures. The graph below gives an indication of the movements of the oil price.



Graph VI.2.2.2 Development oil price per barrel 2011-2015 in USD

Source: Staatsolie Suriname

The company has invested heavily in its downstream activities. In the process, the refinery has been expanded and the processing of crude to premium high-quality gasoline and diesel has increased. The domestic demand for diesel is fully secured and as regards gasoline, for 50 percent. The international developments on the oil market (the reduction of the oil production by the Organization of the Petroleum Exporting Countries (OPEC) and Russia) indicate that the prices will rise in 2017, which will make a positive contribution to the government revenue. The strategic goal for the oil sector:

**Through investments in a domestic exploration program, increasing the proven oil and gas reserves and based on a systematic approach increasing the up- and downstream activities in the oil and gas production, particularly in the related knowledge and construction sector, where the human capital has been increased.**

The following outcomes will be further elaborated in the policy in results and action programs of the relevant ministries and institutions:

1. Investments in the implementation of an intensive national exploration program have significantly increased the proven oil and gas reserves.
2. The production of the gas and oil sector has been increased and the planned expansion of the up- and downstream business is successful.
3. The gas and oil-related knowledge and construction sector is stimulated and developed in a targeted manner, particularly human capital.

The exploration of the oil deposits both on the mainland and in the ocean will continue. The indications are promising. When finding any oil and gas resources, the infrastructure for the export and processing of crude oil into high-quality derivatives will be continued. Finding and exploiting commercial gas will lead to the creation of infrastructure for processing into liquefied gas and export to countries in the region.

### VI.2.3. Bauxite, Alumina and Aluminium

In the bauxite industry in Suriname two multinationals have been active, namely Alcoa Inc. (with its subsidiaries Suralco LLC and NV Alcoa Minerals Suriname (AMS)) and BHP Billiton (with its subsidiary NV BHP Billiton Maatschappij Suriname). BHP Billiton left Suriname in 2009, and its subsidiary was acquired by Alcoa Inc., also operating under the name NV AMS. Alcoa Inc. stopped its production activities in Suriname at the end of November 2015. The reasons that the multinational company gave were: a) low world prices for alumina; b) very high energy costs of the Paranam refinery; c) very high mining, so bauxite costs and d) the relatively high development costs of new mining areas in Suriname.

Alcoa has been operating in Suriname since 1916 and through its subsidiary Suralco it has acquired mining rights up to 2032. The formal basis of these rights is formed by the Bauxite Act 1919, the Minerals Regulation 1952 and the Brokopondo Agreement 1958. In addition to these mining rights, the Suralco received a key role in the Surinamese energy sector through the Afobakka power plant that supplied power for the aluminium smelter, but also to cover the "other energy demand".

Like other multinational companies related to the bauxite, Alcoa remains especially interested in the more than 300 million tons of proven bauxite reserves in western Suriname, besides the need of the company to preserve its possessions in Suriname. To this end, it counts not only the not (yet) mined bauxite deposits, estimated at approximately 64.6 million Mt (see table VI.2.3.1), but also the rights it believes to have to the electricity generated through the water in the W.J. van Blommenstein reservoir and the Afobakkadam.

Table VI.2.3.1 Bauxite deposits and reserves

<b>Bauxite deposits</b>	<b>Reserves (x 1000 Mt)</b>
Nassau	30,370
Coermotibo deep seated	16,058
Para Noord	9,743
Kankantrie Noord	7,004
Wane 1,2,3,4	770
Moengo staff village	695
<b>Sub Total</b>	<b>64,640</b>
<b>Bakhuis (mln MT)</b>	<b>324.7</b>

Source: BIS

The steady decline of the Suralco activities in the extractive industry has drastically changed the nature and the impact of this company in the Surinamese economy. With the closure of the smelter in 1999, its role in the national total energy supply increased. The conditions under which the energy supply is done after closure of the smelter, have become increasingly controversial and formally a subject of study. The abandonment of the mine operations and the closure of the alumina refinery have put the relationship with this multinational under pressure and placed the need for consensus on a national strategy for the sector in the spotlight.

In the vision of the future development of Suriname, mining and refining of bauxite and aluminium smelting, as well as the related up- and downstream activities play a major role. The spin-off effects of the sector have been historically demonstrated, especially the infrastructure and the energy sector. In the development of Suriname, the spin-off effects must be intensified and expanded, both in terms of the down- and upstream sectors.

In fact, it is anticipated that the major development goals can only be achieved in an integrated strategy in which different sectors, especially the "bauxite sector" play a key role. Very concrete plans are concerned for the major infrastructure works related to Suriname's regional role in trade, commercial services and transportation, including transit of goods, the energy sector and forestry. This places the enormous importance of the bauxite sector to Suriname's development strategy in perspective and this in the short-, the medium- and long-term. The much-discussed policy objective to restart as quickly as possible the bauxite production and refining of alumina involves phasing in the planning and the policy for this sector. After all, the preparations for the decision-making on the long-term plans for the bauxite sector have barely begun and will take several years. If a decision is made for a quick restart as previously announced by the Government, the preparatory work for this purpose will have to start as soon as possible. This should be seen as the first stage in the planning for the sector, while all other planning activities are considered as belonging to a second phase.

Since 1974 negotiations have been conducted on making operational the bauxite resources in West Suriname, but no breakthrough has been reached. Suriname will have to perform more in the field of the formulation and implementation of a national strategy for the bauxite sector than what has been realized up to now. The strategic goal of this subsector is as stated below:

**The implementation of an intensive research and preparation program is the basis for an agreement with one or more investors, concluded on the basis of a competitive selection process, which regulates the production of bauxite in eastern and western Suriname, the related, alumina, aluminium and the downstream activities in the interest of the national development, whereby the energy generation for refining alumina and smelting aluminium and also the required infrastructure, are part of the development of local population centres and other production activities.**

The following outcomes will be further elaborated in the policy in results and action programs of the relevant ministries and institutions:

1. After a good preparation, examination and a competitive selection process, an acceptable agreement has been reached with (foreign) investors, which regulates the production of bauxite in eastern and western Suriname, the related alumina and aluminium and the downstream activities, and safeguards the continuity of the sector in the interests of the national development.
2. The bauxite mines are operational, partly by deploying locally available certified companies, which have the technology, expertise and competence for bauxite mining and transport.
3. The infrastructure for transporting bauxite to the processing facilities and the energy supply are operational and integrated with demands and cost recovery from other industries and the local and national population.
4. A decision has been made about the cost competitive energy for the processing of bauxite to alumina, aluminium and other downstream activities and the necessary investments have been made.
5. The kick-started bauxite, alumina, aluminium and further downstream activities increase the employment, export earnings and the government revenues.
6. The BIS (minerals institute) is operational, contributes to expanding the national knowledge base and conducts studies about and monitors the bauxite industry in the interest of rational and sustainable development and a fair share of the State and the legislation has been amended.
7. An environmental study has been conducted into the impact of the bauxite and gold operations. Regarding the bauxite operation it was examined to what extent provisions have been made in the Brokopondo agreement to restore the environmental damage of the mined areas.
8. The Government caused a study to be conducted into the optimum configuration of the mines, transporting and processing of bauxite resources in West Suriname.
9. Local and international investments in the bauxite sector are promoted by adjusting the Mining Act and the introduction of standard mineral agreements and impact benefit agreements.

In elaborating this strategic objective and the expected results, in the first place the mutual relationships of this sector with the rest of the economy must be started with. Especially in the infrastructure and the energy sector, the principle that must be followed is that provisions for infrastructure and energy will not be scheduled for only the mineral sector, but that always a "multipurpose approach" will apply. Regarding the bauxite sector itself the following points of departure are started from:



1. The bauxite reserves in West Suriname only, are sufficient for 70 years of bauxite production<sup>31</sup>.
2. Suriname's position and potential role in the international market for bauxite, alumina and aluminium production and trade and the up- and downstream activities. This will require a baseline study and monitoring of a selection of issues and indicators will regularly have to adjust this analysis.
3. Suriname will, where it has the capacity, develop the production and export of sections in this value chain itself, in the course of which the local business community plays a key role, with the emphasis on local private companies. After more than a hundred years of experience in this sector, local expertise and competence have been built on bauxite mining. Certainly in the mining of bauxite there is no or little reason to give a key position to multinational companies in this part of the value chain. In the last decades, the multinationals increasingly "outsourced" mining to local businesses. Suriname has certified local businesses and unlike previous periods, the technology for the alumina and aluminium production is for sale at the international market.
4. Where for various reasons it is advisable to involve multinational enterprises in production and management of the bauxite industry, this will happen on the basis of mutual benefit and sustainable partnerships. Without a clear national strategy in this respect, the necessary preliminary study, expertise and a good negotiating position, it will not be possible to achieve these development goals.
5. The (transport) infrastructure<sup>32</sup>. Decisions to that effect will be taken against the background of other development plans of Suriname and options where the infrastructure costs are borne by several economic activities and the investors concerned.
6. Energy<sup>33</sup>. As in the case of the infrastructure, decisions on the energy options for the bauxite sector are taken in a broader context.
7. Environmental issues. Technically, it is possible to store the red mud at Paranam. In addition to the existing storage facility new ones have already been projected, in case bauxite would be mined from the Bakhuis area.

### **VI.3. Two-track strategy in the agriculture: Large-scale and Population Agriculture**

In the coming planning period, the agricultural development will take place according to a two-track policy. Both the population and the medium- and large-scale agriculture will receive the necessary attention with a view to enhancing the resilience of the sector. Development of the sector will more than ever be done in consultation with all stakeholders and actors. Preconditions, including spatial planning, environment, health, finance, research, administrative organization, management, education, training, information, storage, processing and marketing guarantees, will be included.

#### **VI.3.1. Population agriculture and Agro-industry**

The further development of the population agriculture will be central. An important aspect of this type of agriculture is that many products that cannot be grown on a large scale under the local growing conditions, thrive in the production chain of the population agriculture. The population

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<sup>31</sup> According to the Joint Ore Reserves Committee Code (JORC) the bauxite reserves of these deposits are set at 324.7 Mt, the results of the exploration program Suralco and BMS performed in the Bakehouse area in the period 2003-2005. This study has not been made available to Suriname by the parties concerned and hence there is a need for a thorough preliminary study of Suriname, which can serve as a foundation for a solid negotiating position for the granting of exploitation rights on these resources.

<sup>32</sup> The distance Bakhuis-Paranam over land is approximately 300 km

<sup>33</sup> Historically, Suriname has always thought of hydroelectric energy mainly from the aluminum smelting process, while the energy demand for the alumina refining process was covered by using hydro-carbons. The latter, for the production of thermal energy for the production of steam. The discovery of large gas and oil reserves in Guyana has strengthened the expectation of similar finds before the Surinamese shore. Gas as an energy option in the alumina and aluminum production opens new viewpoints in the strategic approach of this sector, with especially in a transition period, the option of liquefied gas being studied.

agriculture is also suitable for greenhouses, hydroponics and organic agriculture. A particular advantage is that in tough times the resilience in the production is very big, making the chances of survival in extreme conditions better, since the producers are the owner of the company, the soil and / or means of production. Another advantage is that because of the globalization, the access to agricultural technology has increased, so the chance of innovations in practice, especially in difficult periods is very big, which leads to increasing the resilience of the business.

The policy will aim at as far as possible delegating the responsibility of the various components of the production cycle to the stakeholders. In practice, this means that the individual family businesses, self-employed workers, collaborating groups or co-operatives, women's organizations and organized young people, will independently control the different services. This involves facilities for the production, such as small machines and equipment, seed supply, inputs, supply of part-time work in peak periods and sowing, planting and harvesting, education, transport, purchase, storage and processing.

The Government will ensure the availability of the necessary production areas and the associated infrastructure like roads and structural works. The marketing of fresh products from the population agriculture will be linked to the local consumption and tourism. The necessary measures will be taken for storage, processing and preservation of products derived from the population agriculture. Industrial centres with small processing units will be set up for surpluses. The processing will take place for the benefit of the exports to the neighbouring countries and the region. Through the deployment of migrant workers from the region the labour costs in relation to the labour productivity may be reduced.

### **VI.3.2. Large-scale agriculture and Agro-industry**

The large-scale agriculture in Suriname is mainly practised in the sub-sectors rice and banana by both local and foreign entrepreneurs. There is a wide availability of soil and water at relatively low cost, including areas already mined. Within this category, the mechanization is quite enhanced. With large agriculture there is thorough planning regarding land development, production, processing, marketing and export. The advantage of large-scale agriculture is that the shareholders have networks that can respond professionally when problems arise in all phases of the production. Large agricultural enterprises are often part of large international companies, as a result of which the access to markets is less problematic. The climate is favourable and there are no serious diseases and pests.

Despite these favourable characteristics, this category is plagued by relatively high labour costs compared to labour productivity, high freight costs and relatively expensive input provision. The sector is also faced with weak R & D and other support services. The loan provisions for the sector are unfavourable, just as the fiscal facilitation. There is under-utilization of the value added to the products in the sector. The poor physical infrastructure (drains, overflow and dams as well as overgrown channels) leads to under-utilization of the area.

The nationwide availability of opened up areas of fertile land with potential for development of agricultural businesses, with financing, technology and management from both home and abroad. Immigration policy will be tailored to the circumstances and needs of the production. Some products offer good opportunities for import substitution because of the attractive and desired modern production technology and challenges: vegetables and herbs (organic and in greenhouses), modern poultry farming, aquaculture, ornamental plant cultivation, etc., with the knowledge and the specialization per product are of great importance.

Moreover, preferential market access is also possible for some of these main products, whereby product and market development can go hand in hand by producing what the market wants. The utilization of already opened, cleared and drained areas, knowledge and experience, also offer good opportunities for targeted choices of a restricted number of mainly export products, rice and tree crops. Opportunities for foreign direct investment are favourable for oil palm, coconut, cocoa and

citrus, with the chain of these products including industrial processing. It is important that better use is made of the spatial information for policy development and implementation in the agricultural sector. Through a coordinated interdepartmental cooperation it is possible to implement a more effective and efficient long-term policy and make the effects of policy transparent. Decision-making in favour of agricultural purposes is therefore more founded and transparent. In the next planning period, in collaboration with the Brazilian research institute Embrapa, the Agro-Ecological Zoning (AEZ) of the Surinamese territory will be implemented.

For the further development of the agricultural sector and keeping up with international research, it is important that investments are made in R & D. Apart from the Anton Kom University of Suriname with its research institutes Celos and Intec, a separate institute will be established for the agricultural sector. In addition, farmers will be closely involved.

#### **VI.4. Existing Production Clusters Agrarian Sector and Agro-industry**

##### **VI.4.1. General**

Of the 16 million hectares of Surinamese land area, approximately 1.5 million hectares has been designated as farmland for crop cultivation and grassland accessible and suitable to be cultivated. Because of the sparse population of this suitable 1.5 million ha there is only 114,000 ha of cultivated land in the coastal area, mainly for rice cultivation. The designated use of the 114,000 hectares of cultivated areas is as follows:

- Annual crops: 83,000 ha, of which 65,000 ha for paddy cultivation and 28,000 hectares of largely underused or abandoned land and mainly intended for the cultivation of vegetables, tubers, roots and legumes;
- Semi-multiannual crops: banana, cooking banana, other fruits: 5,000 ha;
- Perennial crops 15,000 ha: coconut, fruit, grass, greatly underutilized and obsolete areas, with also abandoned old plantations of sugar cane, oil palm and cocoa.

The geographical distribution and the level of rural social infrastructure are also important in agrarian development planning for sustainable growth. Also of interest are climate change, the effects of rising sea levels and increased precipitation and winds. To adequately control the impacts of climate change, additional investments will be made in land development works, such as swamp retaining dams, spillways, distribution works, irrigation and drainage canals, pumps and sluices. With the implementation of its mission, the Ministry of Agriculture, Animal Husbandry and Fisheries starts from the division of its policy area of three subsectors and fourteen (14) product clusters. It involves the following sub-sectors and product clusters:

##### **A. Crop cultivation with 8 product clusters<sup>34</sup>:**

1. grains, in particular rice, corn;
2. vegetables and legumes;
3. tuber and root crops, in particular cassava;
4. banana and cooking banana;
5. other fruit, in particular citrus;
6. edible oils, in particular, oil palm and coconut;
7. stimulants, and in particular cocoa, herbs and
8. non-food crops: bio-energy, ornamental plant cultivation and fibre crops

##### **B. Animal husbandry with 3 main clusters:**

1. poultry: meat and eggs;
2. cattle: milk / meat and small ruminants;
3. pig husbandry

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<sup>34</sup> The clusters 6-8 have not been developed, despite potential

### **C. Fisheries and Aquaculture (underdeveloped) with three product clusters:**

1. Population Fishing
2. Sea Fisheries
3. aquaculture

The development growth of the agrarian and agro-industrial sector will per cluster mainly focus on a number of main products with favourable potential for import replacement and export growth. The strategic long-term goal for the existing production clusters is:

**Research, application of technology and services by efficient (knowledge) institutes, competitive micro-, small, medium-sized and large companies in the agrarian sector and the agro-industry guarantee food safety and security of the Surinamese population, export to regional and international markets and employment in various subsectors.**

The following outcomes will be further elaborated in the policy in results and action programs of the relevant ministries and institutes:

1. Government and private investments and spending established sustainable commercial companies and services institutes for the agrarian sector and agro-industry, which excel in research and the application of state-of-the-art technology and services in particular in the so-called agrarian priority production clusters (palm oil, coconut, cocoa, vegetables and fruit, fibre crops, paddy, poultry and cattle and offshore fishing).
2. The growing production and export of competitive micro-, small, medium-sized and large companies in the agrarian sector and the agro-industry has been sustainably strengthened by good infrastructure and efficient services companies and institutes that promote agrarian entrepreneurship, encourage investments and facilitate the application of (modern) technology.
3. The food safety and security of the Surinamese people, as most important development goal of the agricultural development, has been realized.
4. Exports to regional and international markets has increased.
5. The various forms of employment in several subsectors of the agrarian sector and agro-industry have been preserved and/or increased and the mechanisms and programs as laid down in the migration policy are operational.

#### **VI.4.2. Principles of the implementation of the strategy**

In the past decade the share of the agrarian sector accounted for about 6% of the GDP on average, while the balance of the agrarian trade balances is negative, within the year 2015 approximately USD 325 million for imports of food, agrarian equipment and liquid assets, compared to USD 128,000,004 exports (rice, banana, shrimp and fish). The fact that the government almost completely put an end to its direct participation in the commercial agriculture (oil palm, rice, sugar cane), unfortunately did not lead to the privatization of agrarian state-owned companies. Partly as a result thereof the unused production capacity (suitable areas, water and labour) has increased and the share of the agrarian production decreased. This decline can absolutely be changed into sustainable growth by substantial investments of the national and foreign private sector and the number of non-investment measures. For this purpose, for the agrarian small or medium-sized enterprises, support by the government is necessary with adequate credit, additional legal and organizational measures and supporting services.

For a quick growth of the agrarian sector, for the coming planning period emphasis will have to be laid on the research, technological innovation and engaging young workers of knowledge and skills levels in agriculture. Agricultural research will have to be more in line with international fundamental research, in the course of which per product further choices can be made as regards collaboration with countries and foreign institutes. Brazil, US, India, Indonesia and Malaysia offer excellent opportunities based on bilateral collaboration. Foreign investors may also serve as carriers of technology transfer.

Plant-genetic resources for food and agriculture constitute the biological basis for food security. These constitute the mechanism, which is responsible for crop increase, increase in agrarian production, productivity and sustainability in agriculture. These resources comprise genetic material of agricultural and horticultural crops (including fruit, vegetables, ornamental crops, medicinal plants and herbs); fodder crops; forestry and non-timber forest products; edible mushrooms; micro-organisms and wild flora useful or potential agriculture. In the planning period, a National Institute Plant Genetic Resources will be established, for the preservation and sustainable use of plant genetic resources for food and agriculture.

Especially in the primary production, more use will be made of modern technologies based on mechanization and other labour-saving and convenient systems by transformation of technology. As a result we will also work on the expansion of the agrarian skilled workers, increasing the organizational degree and the income of the agrarian labour force based on the modern agri-business concept. Special attention will be paid on granting agrarian scholarships in the aforementioned countries and to creating jobs for young people and women. In view thereof the agrarian education will be encouraged to focus on development practically and scientifically.

As a result of coordinated and practice-oriented agrarian research, alternative production methods will be introduced as a result of which cultivated products meet the current adjusted requirement, while the research into non-traditional crops, including soy and corn, will be expanded.

Applied research must lay the basis for production for the foreign market. Regional research stations will be set up in collaboration with local producers and international partners in the course of which the government will play a regulating rule. Technological innovation will be concretely focused on:

1. increasing the production per unit area by means of conducting research into varieties, suitable for our agro-ecological circumstances.
2. increasing of the productivity of labour, soil, water and capital goods by means of applied research.
3. promoting environmentally-friendly production systems with emphasis on conservation and sustainability;
4. providing for training, education, information and security of the production infrastructure.
5. lowering the cost price by the introduction of an efficient system of soil and water use and making controllable diseases and plagues according to internationally acceptable rules, as a result of which damage to the environment, if any, is restricted to a minimum.
6. Introduction of non-seasonal production systems. With the applied research, research programs will be set up in specific cases and production circumstances of soil, pathogenic organisms, but also where desired growth possibilities are concerned.
7. Opening up areas, improving port and airport facilities, security and certification for both primary production, storage, processing and packaging, distribution and with export.
8. With a targeted migration policy we will work on measures to stimulate employment in agriculture.

### VI.4.3. Crop cultivation

#### VI.4.3.1 Rice

The contribution of the rice chain amounts to approximately 4% of the GDP. The direct and indirect employment concerns approximately 4500 persons. This subsector has access to markets and the availability of human power with experienced knowledge is big. There is also sufficient machine capacity available just as a reasonably adequate infrastructure and irrigation facilities. The cultivation is the basis of the rice chain, as the driving income earner, foreign exchange earner, with high capital investments. During the past five years (2011-2015) the rice production shows a fluctuating trend. Both the planted area, the total paddy production and the average production per ha increased in the same period. In 2015 there is a short drop noticeable according to the table below.

Table VI.4.2.1.1 Core indicators Rice sector 2011 - 2015

Description	2011	2012	2013	2014	2015
Total planted area (ha)	56,930	51,379	58,274	62,211	59,741
Dry paddy production (ton)	235,298	224,127	262,029	275,851	271,665
White rice production (ton)	117,858	108,949	117,162	113,668	105,295
Export volume rice (ton)	46,109	56,317	77,161	103,755	99,663
Export value rice (SRD 1000)	99,664	103,155	132,114	179,814	147,097

Source: LVV, adaptation SPS

Nevertheless the sector is confronted with a number of complicated problems, varying from repeated credit problems (debt accumulation, high interest percentages), to insufficient fiscal provisions in particular on capital goods, inputs, fuels and lubricants. There is also an underutilization of the production capacity and low productivity. Also the institutional instrument for research and development ‘Centrum Landbouwkundig Onderzoek Suriname’ (CELOS - Centre Agricultural Research Suriname), Anton de Kom University of Suriname, are insufficiently deployed for research for the rice sector. Probably partly by a lack of orientation and sufficient financial funds, fundamental and applied research does not get off the ground. The *Anne van Dijk Rijst Onderzoekscentrum Nickerie* (ADRON- Anne van Dijk Rice Research Centre Nickerie), which is in charge of research, has been confronted for years with a lack of expert staff and financial resources.

Graph VI.4.2.1.1 World market prices Rice per Mtn 2010-2016 in USD [translator: see graph on page 90 source text Dutch]



Source: WB, October 2016

After the introduction of the Economic Partnership Agreement (EPA) in 2009 the rice prices dropped, on the one hand as a result of the declined preference for ACP rice and on the other hand by the competing countries from Asia (Vietnam and Cambodia). Furthermore the share of Surinamese rice at the global market is small. There is insufficient participation in the construction and management of the infrastructure by private organizations. District water boards hardly take responsibility for the maintenance of the infrastructure and water management. For the implementation of the intervention program a “Rice Commodity Board” can apply itself to achieve the following results:

- implementation of the total water management and infrastructure program;
- efficient use of investment resources and operating capital.

By means of targeted interventions, with strong investment growth and institutional regulation, the rice sector can experience, recovery, growth and development in the coming years. In the process the proposed interventions are:

1. Physical measures and infrastructure facilities (levelling, drainage, irrigation, sowing seeds, organization water management).
2. Organizational measures (district water boards, commodity boards, strengthened producer's organizations).
3. Credits for investments in operating capital. Capital input in the sector must be increased at advantageous conditions to lower the cost of field production.
4. Investment measures for field production, processing, research and information in the course of which provisions for operating capital for small and medium-sized cultivators (SME-cultivators) are also important.
5. Fiscal facilities; partial exemption of indirect taxes.
6. Better sowing seed provision, quality and choice of variety, with improvement of the quality of sowing seed.
7. Encouraging the levelling of areas by making available credit and implementation guidance for higher productivity, lower cost. This by the increased levelling degree of the fields, which increases the production (15% increase) and the paddy quality, and lowers the costs.
8. Establishment and Operationalization Rice Commodity Board.

The demand for rice in the European Union, the Caribbean and South America is important for the Surinamese rice production. The Caribbean for example, has an import demand of about 500,000 on the rice products per year, which for an important part is provided outside the CARICOM. The agreements within CARICOM, are insufficiently observed, while export opportunities to South America are insufficiently used. The table below gives an overview of both the import demand and the most important markets for Rice in the CARICOM. The purchase of paddy will have to be an interaction between cultivators, buyers and exporters, which may lead to market expansion. A study into consumer preference will have to be conducted in order to improve the market position of Surinamese rice.

Table VI.4.2.1.2: Demand for rice products within CARICOM in 2014

Country	Quantity demand/import demand (ton)	Share in the market (%)	Population size (millions of inhabitants)	Consumption (kg per capita)
Jamaica	80,000	8	2.6	31
Haiti	185,000	18	7.0	26
Trinidad	38,000	4	1.2	32
Cuba	700,000	68	11.0	64
Other CARICOM	25,000	2	1.0	25
<b>Total</b>	<b>1,028,000</b>	<b>100</b>	<b>22.8</b>	<b>178</b>

Source: Caribbean Rice Association

The interventions that have to be made in order to achieve growth, recovery and development of the sector, concern the implementation of elements from the program "Support to the Competitiveness of the Rice Sector of the Caribbean". More investments and credits must flow to the clients in the sector.

The institutional instruments for research will be improved and used for research for the rice sector. The ADRON will be strengthened to be able to keep pace with international research areas. The Anton de Kom University of Suriname with its resource institutes CELOS and Intec, together with the farmers, will be involved in the development of resilience within the sector. Increase of the acreage and capital productivity are concrete goals, particularly by increasing the income from the processing of rice, by taking a number of policy measures to solve the problem structurally and in this manner improve the competitiveness at the international rice markets. The measures necessary to achieve these policy goals are:

- Replacement of the outdated machinery, more in particular tractors and combines.
- Guarantees for timely and full provision of floating inputs, such as urea.
- Implementation of several drainage and irrigation projects in Nickerie, Coronie and Saramacca.
- Increasing the sowing seed production and quality.
- Expansion of quality standardization programs.
- Product diversification: development of aromatic varieties and downstream industries.
- Intensifying the agrarian relationships with friendly countries (USA, Brazil, Malaysia, India, China and Indonesia).

The total cultivated area for paddy cultivation is currently approximately 60,000 ha. It is assumed that the utilization degree (rotation factor) of 1.5 can be achieved and the average area proceeds per harvest can increase in steps of 200 kg from 5.0 to 5.8 ton wet paddy per ha per harvest. In order to realize the desired production increase, it is recommended to take a number of measures by means of incentives to the sector, such as:

- Development and introduction of an incentive system via a fund especially established to that effect.
- Abolition or reduction or differentiation of the levy on fuel, as the fuel is not used for public transportation.
- Full exemption from the import duty free on the import of machines, equipment and spare parts for the rice sector.
- Implementation of an efficiency program in the mechanization, including a levelling program, guided from a concept of commercialized or intensified information.

There is a strong correlation between on the one hand a) the use of the standing area (total of harvests per ha per year) and b) the area productivity and on the other hand c) the international rice prices d) local purchase prices and e) cost of inputs, availability of credit, suitable sowing seed, the prices of fertilizers and others.

#### **VI.4.3.2 Banana**

Banana and is currently the third most important agricultural crop after rice and vegetables. There is ample availability and accessibility of areas and irrigation water for this crop. There are highly trained and mid-level executives in the sector, who really know the sector and have ample experience. The sector does not suffer from hurricane winds such as the other countries in the region. The banana sector has reasonable chances to survive due to the access to preferential markets, external financing at low costs. Early 2014 the former areas and properties of Surland at Jarikaba and Nickerie were sold to Food and Agricultural Industries (FAI NV). Surland was facing problems such as a poor management, overdue maintenance, low productivity, and high absenteeism among employees. As a result of the problems, production strongly dropped and the company suffered substantial losses. It seems that things are changing by the takeover by FAI, in the course of which the management was replaced and several internal measures were introduced. As at year-end 2016 the company is still in the red, but the projections indicate that with support from the government by means of tax incentives, the company will come profitable again in 2017.



Table VI.4.2.2.1: Core indicators Banana Sector 2011-2015

Description	2011	2012	2013	2014	2015
Planted area (ha)	2,044	2,051	2,173	2,164	1,993
Production (ton)	85,017	92,391	85,584	77,014	68,991
Export volume (ton)	68,138	62,213	76,585	75,261	66,178
Export value (SRD 1000)	110,986	89,110	110,740	109,446	83,273

Source: Ministry of Agriculture, Animal Husbandry and Fisheries, adaptation SPS

The future prospects for the banana sector are good, the banana export offers good chances for expansion. The government is negotiating with FAI to expand the area by 1000. The estimated investment amounts to USD 14 mln. In the framework of diversification, FAI started with the production of cooking banana. At the end of 2016, 20 ha will be in production. Cooking banana offers good possibilities for processing and export, due to relatively less stringent requirements set with regard to the product. Possibilities for collaboration with outgrowers by means of contract farming are examined by FAI. In the future, the upstream activities of the sector will be worked on. The government is planning to establish a packinghouse together with their private enterprises. The rejection percentage of the fruit will be lowered and other utilization possibilities will be created for the rejected fruit. The lack of workers will be addressed by means of a targeted migration policy.

#### VI.4.4. Animal Husbandry

The cattle breeding sector for now only produces for the local market and as regards its inputs depends on other countries, so on foreign currency. Suriname has sufficient land and water, which can be transformed into grassland for capital and the Under-directorate Animal Husbandry of the Ministry of Agriculture, Animal Husbandry and Fisheries has a decentralized structure in which the local offices and the technical service providers stationed there, apply and implement the policy in close cooperation with the stakeholders. There are conditions for growth in the sector but there are already agro-industrial companies that are engaged in the processing of the primary production and there are possibilities for increasing innovation in the poultry sector, including the development of an outgrower system and the export production aimed at the regional market.

A problem for the sector is the small size which results in higher unit costs and the phenomenon of part-time 'cattle-breeders'. There are only five large cattle-breeding organizations, but practically no structures or organizations such as cooperatives, which are able to create economies of scale. Another problem for this subsector is the underdeveloped R&D. There are insufficient technical specialists at top level, poor infrastructure, facilities and instruments which are all organizationally embedded in the bureaucratic government structure.

In the period 2017 – 2021 the policy for the cattle-breeding sector will focus on changing the dropping cattle production to a situation of sustainable growth. It is important that the food safety remains guaranteed. In this connection, in the coming policy period, legislation on meat control will be promulgated and made operational. In the interest of the national food safety and food security, the Veterinary Service will be adequately equipped with resources to eventually realize access to markets for products based on authority and dialogue with the stakeholders. This service is a requirement in the field, just as with identification, registration, the processing of meat after slaughter and with activities up to the selling of the product. In this framework, the commissioning of the integrated laboratory, including the veterinary laboratory will be realized in the coming policy period 2017 – 2021. Also the training course of Animal Health Assistants (AHAs) will be continued for both field and inspection activities and to monitor animal diseases. A National Contingency Plan will be prepared by a specialist commission in case of outbreaks of animal diseases, in the course of which per animal disease a strategy will be composed. Laws and regulations will also be adjusted to improve food security and animal well-being.

The cattle breeding sector will have to transform from a small branch aimed at self-sufficiency to a number, possibly collaborating groups of companies which are eventually competitive at the regional market. These companies happen to be able to optimally use the potential of our country by applying modern production systems. This process will take place in two steps, namely the optimal service to the local market and then penetration of the Caribbean market.

Much attention will be paid to capacity building of the sector, among other things by means of information and training. Much attention will also be paid to the local production of fodder components. Adequate sources of protein and energy in the fodder will locally be mechanized at a large scale and be sustainably cultivated. This applies particularly to the breeding of poultry and pigs. For cattle and small ruminants, export becomes interesting when local fodder components are available. Traditionally the cost prices are high and the share of the fodder costs in the cost price structure is substantial.

The development of laying grass fields will be encouraged in several districts and regions to develop a healthy livestock. The further processing of meat and milk will be promoted by means of adequate credits, information and training.

Training in management and guidance in “Good Agriculture Practices” (GAP) certification of companies must among other things contribute to a better competitiveness for the production of meat, milk and eggs. In order to increase the market share of locally produced chicken by at least 60%, the policy will be aimed at reducing the import of chicken and chicken parts. With the *Melkcentrale* [Milk Company] NV a sterile line will be set up to preserve milk and milk products.

Production in several subsectors will be worked on, by means of variety improvement and increasing the cattle by means of setting up reproduction stations. Investments will be made in the improvement of the genetic material for capital. In addition to research into the development of fodder with more local components, feasibility studies will be conducted for large-scale dairy cattle and cattle for slaughter. The strategic goal for cattle is:

**Competitive micro, small, medium-sized and large enterprises in the subareas of the cattle breeding sector and the related industry guarantee the food safety and food security of the Surinamese people, exports to regional and international markets and provide employment in several subsectors facilitated by the intensive program for research, application of technology and services by means of efficient (knowledge) institutes.**

The following outcomes will be further elaborated in the policy and results in action programs of the relevant ministries and institutes:

1. The (production) capacity of micro, small, medium-sized and large enterprises in the subareas of the cattle-breeding sector and the related industry has increased and exports to regional and international markets have been initiated.
2. Government investment in the physical infrastructure and the R&D-sector facilitate and strengthen the production, export and earning capacity of the cattle-breeding sector.
3. Job placement and vocational training, training courses and the increased earning capacity in the cattle-breeding sector guarantee the coordination of demand and supply of workers.

#### **VI.4.5. Fisheries**

Suriname has rich fishing grounds and there is a great demand for fish and shrimp on the local, regional and international markets. The growth of the world's population will only cause the demand for this protein source to increase. For a sustainable fisheries management, the policy will focus on entrepreneurship and taking action on the application of appropriate fishing technologies and methods. The policy will continue to focus on increasing the production by adding more value to fish products, as well as more efficient use of fish waste by further processing for human consumption and livestock feed. The legislative products of the sector are outdated and updated bills will soon be submitted to Parliament for consideration and approval. Institutionalized research and statistical programs will be used to analyze the statistics, which can provide insight for the development of good policies for the fisheries sector.

To get the entrepreneurial fish and shrimp farming going, the following big challenges are concerned:

a) the development of R&D for this industry and attracting technical specialists b) the development of local food production and c) the choice of species that best thrive in the Surinamese situation.

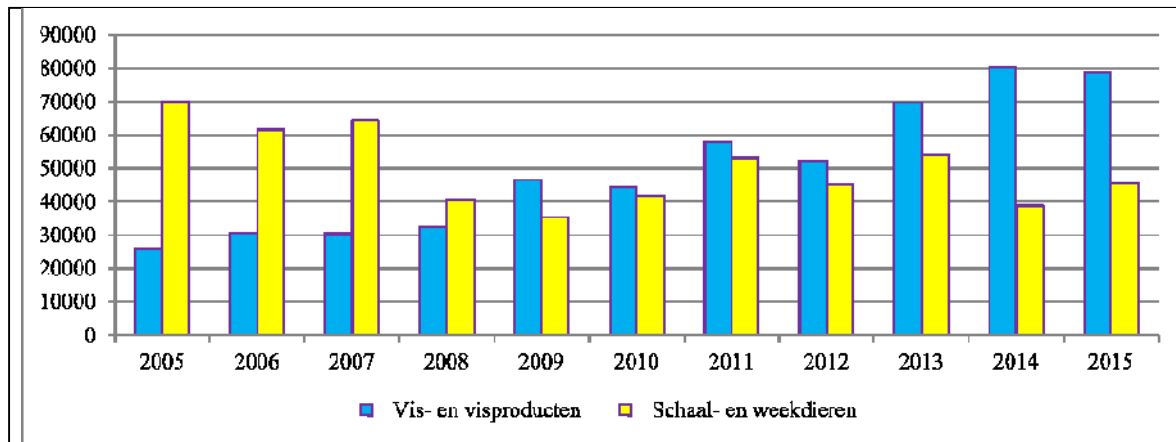
To exploit the fisheries resources sustainably, the updated Fisheries Management Plan (VMP- *Dutch abbreviation*) will be implemented. The VMP is an important instrument for the development of various types of fishing and to ensure sustainable fishing. The Coast Guard works closely with the Navy. With the adoption of the draft legislation Coast Guard, it will be fully operational, so the security is improved at sea. To reduce by-catch and discard, measures will be taken to improve fishing techniques, using BRDs (by-catch Reduction Device) and discouragement of non-selective methods of fishing. A study will be done into possibilities to better use landed by-catch.

In this planning period, guaranteeing health and food safety of fishery products will be continued according to international food safety standards. The Institute for Fish Inspection is competent and responsible for the implementation of measures regarding health and food safety. For the further development of the fisheries sector, small- and medium-sized entrepreneurship will be encouraged. To promote sustainable employment, regular education and training will be provided to fishermen and other stakeholders in the sector. Efforts will be focused on increased cooperation with countries in the Caribbean and the rest of the world.

Aquaculture has the potential to grow into a major foreign exchange earner. To develop this sector sustainably, the updated draft legislation on aquaculture will soon be presented to the DNA for discussion and approval. With the new law, the sector will be regulated, resulting in compliance with international standards on animal diseases, environment and animal welfare. In this planning period, the further development of the sector will be encouraged by stimulating the cultivation, the processing and the export of tilapia and pacu. To achieve sustainable development of the sector, an aquaculture research and training station will be set up for freshwater and brackish water fish. Particular attention will be given to applied research of more fish species and shrimp that can be grown in Suriname. As a result, increasing diversification of the local and the international market will be guaranteed. The aquaculture potential will be explored and mapped in more detail, so that areas and regions that are suitable for production, can be reserved. In order to achieve these goals, a number of preconditions are necessary. These are:

- Land use policies should be geared to designated areas.
- Availability of cheap and quality suitable feed for the aquaculture.
- Sufficient supply of breeding material.
- Protecting the water quality conditions (prevention of pollution).

The fisheries exports will be further enhanced by increasing the production in a sustainable way through investments from local and foreign entrepreneurs. The following graph shows an increase in the exports in the period 2013-2015 of fish and fish products.



Graph VI.4.4.1: Export proceeds Fish and Fish products and Crustaceans and Molluscs 2005-2015 \*

Source: Fisheries Department of the Ministry of Agriculture, Animal Husbandry and Fisheries / Customs Automated System for Customs Data (ASSYCUDA)

\* The export figures for the year 2012 are from the months of January up to July, November and December, due to a technical problem at the Customs, the figures for the remaining months are not available.

The strategic goal of the fisheries sector is:

**Competitive and sustainable fish companies, active in aquaculture, freshwater fishing, coastal fishing or deep-sea fishing and fish-processing companies, guarantee the food safety and security of the Surinamese people, exports to regional and international markets, provide employment in several subsectors and prevent exhaustion of fish stocks by making use of research, application of technology and services by efficient (knowledge) institutes.**

The following outcomes will be further elaborated in the policy in results and action programs of the relevant ministries and institutes:

1. The production of offshore fish companies, which are certified for the local and international market has further increased and the actions of the fully operational Surinamese Coast Guard against illegal fishing has reduced overfishing of the Surinamese fishing grounds.
2. The feasibility study about deep-sea fishing of shrimps has been conducted, the policy objectives have been formulated and the policy measures have been implemented.
3. The companies certified for the local and international markets grow and export fish and shrimp, using locally produced fodder and supported by dynamic and competitive R&D-companies and institutes.
4. Job placement, vocational training, and training courses guarantee the matching of demand and supply of workers in aquaculture, freshwater, coastal and deep-sea fishing and fish processing companies.

## VI.5. New Production Clusters in Agriculture and Agro-Industry

In addition to the existing and known product clusters, there is also the group of new and still unknown product clusters for export. This group was mainly created by initiatives of foreign investors. The following products belong to this new cluster:

- Oil palm with processing: agricultural contracting firm and outgrowers;
- Cocoa processing industry;
- Cultivation of biomass for energy and fibre industry: elephant grass, sugarcane, bamboo, jatropa;

- Aquaculture: fish, shrimp, ornamental fish;
- Citron and other local fruits with processing industry;
- New citrus varieties;
- Mechanized corn and peanut cultivation in the old coastal plain near the savannahs;
- New varieties of cooking banana.

Although products such as oil palm and cocoa were already grown previously in Suriname, as a result of the previously mentioned initiatives of the foreign investors, interest has arisen again. Oil palm offers good prospects for Suriname because of the following conditions: i) natural irrigation ii) expected price improvement and iii) favourable productivity of labour and capital, which is reflected in the production of more than 5 tons per hectare (4 tons of crude palm oil and 1 ton palm heart).

The crop also has favourable investment criteria such as: i) investment per job, ii) net foreign exchange return per investment, iii) national income compared to soy and coconut and iv) willingness of foreigners to invest in the sector. In the next planning period, the palm oil industry will again be taken up in Patamacca, Apoera (Sipaliwini district), Phedra and Victoria (Brokopondo district). These locations are most suitable for the large-scale production.

The cultivation of cocoa and the related processing industry has recently regained interest after the release of the National Master Plan for Agricultural Development and given that for several years cocoa yields good prices on the global market. The planning is to plant 2000 to 3000 hectares at Phedra and Victoria. Approximately 1000 people will be able to find employment in this project. The export of semi-finished products, which is expected after three years, will increase the foreign exchange earning capacity.

The prospects for the cultivation of biomass are positive and the following options are:

1. Bamboo Cultivation and processing: this involves sustainable agricultural development with the goal of industrialization. There are advanced plans for a local business to grow and process bamboo. The bamboo grown, will be processed into building materials, including plywood, panels and roof slabs. The bamboo will be grown in the Patamacca Area (Sipaliwini district). The planning is to export some of the finished products to foreign markets.
2. Biomass Project at Phedra: in order to feed the planned power stations in French Guyana with organic material, a start has been made at Phedra (Brokopondo district) with the production of biomass. This is done with French technology and expertise, in the course of which work is directed on the production of plant material to feed the power plants. In this respect, it concerns the French company PFX Energy, which set up the project in a Public Private Partnership with the government. Together with a Surinamese partner various grasses are planted at Phedra on an area of about 2000 hectares with a production of 100 tons of grass per acreage. PFX Energy is committed to the extension of the concession to eventually produce 300,000 tons of biomass per year. With a price of USD 60 per ton, the annual revenue may be close to USD 20 million. The State receives its share in accordance with the agreements made in the partnership and the compulsory tax payments prescribed by the law. If the power stations are operational in a few years, meanwhile sufficient biomass will have been produced in Suriname to make export profitable.
3. Feasibility study of the Inter-American Institute for Cooperation on Agriculture (IICA) for the cultivation of grasses in the abandoned mines of Moengo intended for the production of bio-fuel.

The cultivation of modern Brazilian citrus varieties and the processing to among other things juices and jam, offer excellent opportunities for strong growth, both for the local market and for export. However, provision of credit under favourable conditions is required, as well as applied research and support for the supply of plant material. Citron also belongs to the citrus species.

The subsector vegetables has good prospects and is particularly useful because of: i) employment and income opportunities for women (including greenhouses), ii) low investment per job and iii) favourable national income per investment unit. Provision of small loans, together with packaging companies and control of pesticides will be promoted in this planning period. For further diversification of the subsector vegetables the development of professionally structured production systems and/or companies for the production of tuber and root crops will be encouraged, also in the light of a realistic import substitution and export promotion.

Ornamental plant cultivation and other non-food crops, especially the so-called exotic flowers and plants offers opportunities, which requires a special approach from the Ministry of Agriculture, Animal Husbandry and Fisheries and future research institutes. Compared with vegetables, ornamental plant cultivation offers good prospects if the following conditions are met: i) improved lending, ii) tax relief, such as income and sales tax, iii) lower air freight rates and iv) research on companies.

The coconut culture offers good possibilities for both the production of coconut oil and fibre products such as coconut water and coconut milk. In addition, coconut has other advantages compared to oil palm. It happens to be a component with the composition of many final products and the price is stable. In the past more than 600 ha coconut was planted with a production of approximately 4.000 ton of nuts and about 53,000 L of coconut oil. The planning is to plant 5.000 ha in several districts (Coronie, Saramacca and Wanica), of which 1,500 ha for the outgrowers and 3,500 for the government.

#### **VI.6. Production cluster Forestry and Related Industry**

Suriname is one of the greenest countries in the world where about 90% of the land surface is covered by forest and the historical deforestation decrease lower than 0.1%. The goal of the government is to preserve this status (Intended National Determined Contribution 2015). The aim is to increase the contribution of the forests to the economy and the welfare of this generation and future generations, in the course of which the preservation of the biodiversity is observed (interim Strategic Action Plan for the Forest and Timber Sector 2009-2013, National Forest Policy 2003).

This will be achieved by increasing the income from the timber production, but also by stimulating the markets for non-timber forest products and realizing eco-system services. In the future these goals will be further substantiated so that a contribution is made to the diversification of the national economy. The installed input processing capacity of the timber processing industry amounts to 850,000 m<sup>3</sup> per year and about 40% of the capacity is used. The turnover realized by the trading of timber and timber products at the local market is estimated at SRD 266 mln. The trading of timber and timber products at the international markets yields approximately USD 32 mln. The direct income for the state amounts to approximately SRD 31 million and approximately 5500 persons find employment in the sector. The contribution of the forestry sector to the GDP is 1.7%.

The policy will be aimed at:

- 1) Increasing the national timber production by means of:
  - a) Increased utilization of the already issued 2.8 million hectares of production forest, supported by fiscal facilities, infrastructure, human capacity building and investment credit for national private entrepreneurs.

- b) Increasing the efficiency (yield increase) in logging, transportation, processing and marketing, by using tools such as Reduced Impact Logging (RIL), forest; certification and code of practice (practice guidelines for sustainable timber harvesting in Suriname).
  - c) Introduction of new methods for forest use such as selling standing timber.
  - d) Allowing access to all forest-related information through a National Forest Monitoring System (NFMS).
  - e) Promoting scientific research to improve forest use.
  - f) Promoting the use of non-commercial timber species (lesser known species), in the course of which the set-up and operationalization of a wood laboratory is of paramount importance.
  - g) Promoting the sustainable production of small wooden products.
  - h) Encouraging the use of wood energy.
  - i) Phased elimination of the export of round wood: national added value.
  - j) Strengthening the national controllability of the wood sector through legislation and promoting national private investment.
  - k) A silviculture program will be implemented at a national level in the context of land degradation in both the mined bauxite and gold mines.
- 2) Increase of the contribution of the production of non-timber forest products to the national economy. In addition to traditionally providing for the livelihood of the communities in the interior, non-timber forest products are also commercially marketed to a limited extent. At present little reliable information is available on the quantity and value of these marketable products. Locally the sale of non-timber forest products constitute an important source of income. The potential of this income source will be further identified. The income of the inhabitants of the interior and the government and the well-being of the citizens can also be optimized by among other things increasing the commercial supply of sustainably harvested non-timber forest products. The experiments with among other things krapa (*Carapa* *sobre* *forideo* (sp.)), maripa (*Atalea* sp.), sawari-noto and ingi-noto have had positive results. Pilot and operational products are also being implemented with bamboo, stingless bees and medicinal plants. On behalf of the diversification of the national economy these initiatives should be further supported. Increase of the income of ecosystem services (among other things REDD+)<sup>35</sup>.
- 3) In addition to timber and non-timber forest products, the forest also provides a number of ecosystem services. The mangrove forests that protect the coastline, constitute a concrete example. These ecosystem services have an intrinsic value but can also be converted into cash, such as via the mechanism for REDD+. Since the Climate Convention in Paris 2015, a framework was composed for countries to be financially compensated for achieving results in implementing REDD+ activities. When countries are ready for REDD+, they may be eligible for funds from the Green Climate Fund. Suriname aims at being ready for REDD+ in 2018. For this purpose a fund of US the 3.8 million has been made available and after achieving the planned

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<sup>35</sup> REDD + (or REDD-plus) refers to "Reducing Emissions from Deforestation and Forest Degradation in Developing Countries, and the role of conservation, sustainable management of forests, and enhancement of forest carbon stocks in developing countries.



results, an additional USD 5 million may be added. In order to be ready for REDD+ four conditions must have been met:

- a) Finalizing the National REDD+ strategy mid-2017 .
- b) Setting up a Safeguard Information System: planned for 2017.
- c) Coordination of the National Forest Monitoring System (NFMS) by the Foundation for Forest Management and Production Control (SBB – *Dutch abbreviation*). This system will provide data to calculate the amount of carbon and relevant forest-related information via an online geo-desk.
- d) Setting up a Forest Reference (Emission) Level: indicates a so-called emission ceiling/limit. The financial compensation is calculated on the basis of the amount of carbon with which a country remains under this ceiling.

With a successful implementation of the REDD+ readiness-program in the period 2017 – 2021, Suriname can become eligible for financing from the REDD+ mechanism. The REDD+ program also leads to capacity-building with regard to collecting, processing and analyzing forest-related data. These data will be made available not only to the forestry sector but also to other sectors. At the same time the information can now be used to formulate, implement and monitor national policy, programs and projects relevant for Suriname. The strategic goal for the forestry sector has been formulated as follows:

**The compensation for the conservation of Suriname's pristine tropical forest which is necessary for a better world environment, contributes to the national growth and development as well as the income of village communities, competitive small, medium-sized and large companies that increase and diversify the national production and export through forestry and wood processing.**

The following outcomes will be further elaborated in the policy in the results and action programs of the relevant ministries and institutes:

1. The compensation for the preservation of Suriname's pristine tropical forest is part of the international climate change action program, including REDD+ and contributes to the national growth and development by means of a program-based approach of the conservation and where necessary restoration of the Suriname rain forest.
2. The increase (production) capacity of village communities, competitive small, medium-sized and large companies increases the sustainable production of round wood, decreases the share of export of round wood by increased diversification of the wood processing and a better use of residual wood and waste and non-timber forest products.

## **VI.7. Production Cluster Export industry: Food, Beverages and Chemical products**

The economy of Suriname is mainly based on the limited number of products and services as far as foreign currency earnings are concerned. There are a few companies in various business sectors which, in the past 10 years were increasingly successful in selling their products at the CARICOM market, with little support from the government. Also other small and medium-sized industrial businesses will be able to grow out of the local market and cover the export market in the future.

The crisis situation in 2016 stimulates creativity of the entrepreneurs and by public-private partnerships, industrialization can be promoted on behalf of export. More added value can be created if people use as far as possible domestic inputs, such as nuts from the forest for production of high-quality oils for the cosmetics industry. Suriname has preferential access to export markets

such as the CARICOM, the European Union (EU), the Organisation of Islamic Cooperation (OIC) and UNASUR.

### **Production Growth, Strengthening Entrepreneurship and Export Promotion**

In the coming policy period, the enterprises in this production cluster will receive tailored support to increase their exports and improve the quality of their products, so that they will be able to acquire a bigger market share at the current markets. Support will be offered to improve production and export capacity and to be able to meet the increasing demand from abroad. Facilities will also be established to promote the growth and the adjustment capacity of the businesses so that they are able to evolve in a sustainable manner. The producer must be enabled to produce at the slowest possible costs, in the course of which environmental factors are important, but the business processes must also be aimed at production efficiency. The manner in which the buyer reacts to the product must be followed continuously, to transform the product to the needs of the various market segments. The product must be able to withstand competition at the international market.

The support will be focused on both the product and the producer. The businesses that operate in these branches are diverse as far as size is concerned. Both micro enterprises and, according to Surinamese concepts, medium-sized businesses operate in this branch. The needs of a micro-enterprise differs from a medium-sized business, which has already experienced a certain growth. The facilitation smoothly, coordination mechanisms between ministries will be set up to prevent stagnation and miss concepts as regards the facilitation of the businesses (interdepartmental working groups). Coordination will also be done between the ministries and support institutes in order to prevent friction in the facilitation of the businesses.

The ministries are responsible for the policy and the Institute are responsible for the implementation. Businesses that operate in formerly receive positive (among other things tax) incentives to be included in the formal circuit. As there already is export in this branch, there is a potential for expansion of the market share in the existing markets and to conquer new markets. The policy will also intentionally seek for markets and export financing is seen as an important link in exporting in a successful manner. The technical and vocational education will be tailored to the needs of the industrial sector.

The current trade agreements will undergo interim evaluation to examine whether the maximum result is achieved. Partnerships between both domestic and foreign companies to transfer technology and production integration will be supported.

Regular communication with the producers about how the production and export went and establishing context with stations abroad for assistance, if necessary, with regard to marketing at encouraging joint ventures is a policy priority (public-private partnership). At the same time in situ which will be set up and strengthened to guarantee the quality of the product, product standardized station and product innovation. The protection of intellectual properties will be realized in the planning period. The strategic policy goal is:

**Businesses that produce food, beverages and chemical products have strengthened their production and export capacity and have increased their presence at the regional CARICOM and other identified markets and provide a bigger and sustainable contribution to the national economy.**

The following outcomes will be further elaborated in the policy in the results in action programs of the relevant ministries and institutes:

1. Businesses that produce food, beverages and chemical products have strengthened their production capacity, supported by certified supporting and service providing businesses and institutes.

2. Lower freight costs, legal regulation of import duties on commodities for export production and improvement of the financing for industrial production and export contribute to the increased presence of businesses in the food, beverages and chemical production at the CARICOM and other identified markets.
3. Businesses in the food, beverages and chemical production create value change in the local economy, which provide a bigger and sustainable contribution to the national development.

## VI.8. Production cluster Tourism and the “Creative Industries”

Modern tourism is closely linked to the development of a number of sectors in an economy and comprises a growing number of new destinations (see graph below). This dynamic is an important engine for the social and economic progress of this sector. At present the turnover of tourism worldwide is almost as big as that of the oil sector, foodstuff or car industry. Tourism has grown into one of the most important actors in international trade and belongs to the most important sources of income of many developing countries<sup>36</sup>.

Suriname is multilingual, cultural and religious society with its tropical rain forest, rich and beautiful flora and fauna has the possibility to enhance the tourist sector including the creative industry. There is sufficient creative talent among others inspired by nature and our rich culture. Suriname is one of the countries in the region which still has authentic cultures such as the maroon and indigenous culture. The Central Suriname Nature Reserve (CSNR) and the historic centre of Paramaribo have been included in the world heritage list.

Graph VI.8.1: Economic Importance of Tourism in the World in 2015

Source: United Nations World Tourism Organization



<sup>36</sup> Manual on Tourism and Poverty Alleviation. Practical Steps for Destinations. UNWTO and SNV 2010

Some of the important tourist attractions are the CSNR, the Bigi-Pan area, Peperpot Nature Park and Galibi Nature Serve. By means of the use of Internet and social media by businesses and institutes the development of tourism and the creative industry can be direct it and accelerated. For example, the promotion of existing and new cultural events can increase the number of tourists in the low season months. Targeted promotion and minimally to countries to be still identified can increase the number of tourists to Suriname just as the earnings for the country. In order to achieve positive effects, which can realize the development of this sector, a national strategy should be formulated in this planning period. The strategic policy goal for this period is:

**The implementation of the strategic development plan for the Tourist and the Creative Industries, with as core issues establishing direct flight connections between Suriname and one or two identified countries (concentration countries) and the expansion of (existing cultural) events and their promotion as tourist attraction, contributes to the growth of the number of tourist visitors and their spending and contributes to the sustainable development of Suriname.**

The following outcomes will be further elaborated in the policy and results in action programs of the relevant ministries and institutes:

1. The Tourism Act has been promulgated and the Tourism Authority coordinates the implementation of the strategic development plan for the Tourist and Creative Industry, which contains policy priorities identified by the stakeholders.
2. As part of a public private partnership with the businesses in the tourist sector Suriname enters into direct flight connections with one or two identified countries (tourist concentration countries) to support the development of tourism.
3. The public-private partnership of the relevant ministries and businesses in the tourist sector invests in (existing cultural) events to be further identified, which are extended to and promoted as a tourist attraction.

Within the policy of the Ministry of Transport, Communication and Tourism, the following measures and actions are being prepared:

1. The marketing and promotion activities.
2. Preparing a Tourism Master Plan, including the policy on product development.
3. Formalizing the Tourism Act and the Establishment of a Suriname Tourism Authority.
4. First defying and increasing the direct regional and international flight connections.
5. The revision of the visa of policy to support the development of tourism.
6. Increasing the possibilities for training on behalf of the tourist sector.
7. Strengthening the capacity to produce and spread statistics on tourism.

The concept “Creative Industries” is a collective name for the professions and business types aimed at the expectation of the appreciation of art and intellectual property. Sectors such as visual arts, crafts, music, advertising, design and software development are among the Creative Industry. This sector is broken down by main activity in the following subsectors: heritage, art, design, film, video and photography, music, software, media, theatre, medicinal plants and recipes, and culinary activities. These subsectors often enough have a link with tourism.

Creative Industries in Suriname have been identified as activities with a strong growth potential especially in relation to tourism. They can make a significant contribution to employment, exports and prosperity development. In Suriname, craft or handicraft are the main activities that belong to the creative industries. The speedy rise of other creative activities requires measures and action points that will be part of the Tourism Master Plan, while the legislation on intellectual property is seen as a separate action point.

## Chapter VII: Regional and Spatial Planning

### VII.1. Integration of Regional and Sector Strategies

Regional planning is the planning which seeks to give direction to the population, the social and economic development of different areas on the basis of on the one hand, the physical characteristics and potential of those areas relative to each other, but also the formulation of plans in each distinct area. It is therefore on the one hand the conscious influencing of how growth and development are used and spread over the various regions, but also the development planning of each region in itself. Regional planning should prevent and reduce wide regional disparities, but also ensure the best use of the national development potential. This gives regional planning its dual nature: **national bodies plan** land use, production, investment and population development, while regional structures / bodies, taking this into consideration, plan the development of their regional sources. This inevitable dualism is a major challenge that must be overcome in a practical sense in order to be able to plan and to implement successfully. Each country will have to solve this in their own way, in the course of which it has to be indicated that success will depend largely on:

1. The political will and a conception of how to distribute/share political (decision-making) power between the Central Government and Local Administration.
2. The institutional framework for national and regional planning and administration. On the one hand, a well thought-out legal framework on which the mandate and the powers of institutions are based, must lay the foundation for an efficient mechanism. On the other hand, the culture and traditions in the bureaucracy of the central and local authorities play a considerable role, which should not be underestimated.
3. The level and the way in which an attempt is made to integrate regional and sectoral planning. In this respect, the guideline that decentralization of planning requires that at the same time the capacity of the central or national institutions to develop and coordinate workable national strategies, is strengthened.

Suriname faces major challenges with regard to the regional planning, which traditionally is treated harshly. The population is concentrated in the districts of Paramaribo and Wanica (67 percent) and the rest of the coastal plain (23 percent). The regional distribution of the population presents two major challenges to national and regional planners:

1. **The concentration of the population in a handful of urban centres in the coastal strip** and the very sparsely populated “interior” where mainly tribal groups live very scattered in small communities. This involves two aspects:
  - a) The employment: the main production activities increasingly take place in the so-called hinterland area where there are no planned urban population concentrations that can adequately meet the labour demand. The same also applies to planned economic activities for the interior.
  - b) The isolated communities in the interior that have a development gap compared to the coastal area. Although these disadvantages have been built up over a long period as a result of a complex of factors, this is a challenge that cannot be ignored. Progress and full integration into the socio-economic development, but especially how fast that is expected, requires an optimal balance between the national, sectoral and regional planning and also a development vision which integrates solutions to issues such as small-scale communities of tribal Surinamese, their "land rights", the preservation of language, knowledge and culture, modes of production and political administrative formations.

2. The expected rise in sea levels and the need to establish the large, urban population centres deeper inland.

Both challenges emphasize that regional planning also in. Of Suriname does not simply imply, the optimal use of the available natural resources. Keeping in mind the historically developed centralism in governance and planning in Suriname achieving real decentralization of governance, is just another way of formulating the need for regional planning. However, effective decentralization of government to local bodies is still "a work in progress." The strategy for structuring and strengthening the regional planning is therefore built around a) the capacity to indicate at the national level the broad lines of the regional development of people and resources and b) the capacity of the regional bodies to plan their development and to organize spatial planning. It is assumed that across the political spectrum and the interest groups for this strategy, there is broad support for this approach.

Broad social consensus is required to develop an appropriate institutional structure for the regional planning. In the past decades under or pursuant to the law, more and more institutions were established, which should play a role in terms of the regional planning. However, this happened without the relevant mandates to coordinate with each other and to define precisely and to (sharply) define the necessary partnerships and procedures. Consequently, currently among others the following institutes are active in the Regional Planning: The Planning Bureau, the District Administrations and Regional and Local Councils, the Ministries of Public Works (the Planning Department), Spatial Planning, Land and Forest Management and Regional Development and the NIMOS. Despite the challenges the current legal framework presents, the advantage is that if interpreted and applied as a whole, for now it provides space to already make the first steps forward.

In this planning period essential laws and regulations that are lacking, will be adopted. This will eliminate in the current regulations and enable a better coordination between agencies/institutes<sup>37</sup>. Combined with the will, expertise and experience such legislation will result in better integration of the national, sectoral and regional planning processes.

The embedding of the Regional People's Representation and the Law on Regional Bodies reflect the ideal of participation of the citizens in the administration. Putting this into practice has not been entirely successful. In this planning period the regional bodies will be further developed and strengthened and this will go simultaneously with the development of a decentralized planning machinery with as backbone the regional planning. The Act on Regional Bodies requires from the regional bodies (the District Administrations), just as at national level, an annual plan and a medium long term Development Plan. In order to meet this legal requirement and to integrate the levels of national and regional planning efficiently:

- the planning method, the techniques and information base (data sets) for the production of the national Annual Plan and the Medium Term Development Plan and the corresponding, regional plans will be standardized and described;
- the planning and implementation capacity of the regional bodies will be strengthened;
- the formal and informal network for the planning development and implementation will be set up with emphasis on the specialized institutes including: the Planning Bureau, the Service for Town and Country Planning, the District Administrations, the Planning Units of the line ministries and the Regional Bodies and

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<sup>37</sup> The regional bodies are existing political structures, but there is a need for other laws and regulations before they can actually substantiate their (constitutional) legal mandate.

- the ICT-infrastructure required to facilitate this system of national and regional planning will be designed and made operational.

Based on the above, the following goal has been formulated for the Regional Planning:

**National consensus on the long-term strategic plan for the structure of the local administration, strengthened the mechanism, with which the Regional Bodies, the Planning Bureau, produce for the local economies. The Service for Town and Country Planning and other institutes involved, the regional and spatial plans required by law and integrated with the national planning.**

The following outcomes will be further elaborated in the policy and results in action programs of the relevant ministries and institutes:

1. Adoption of a strategic plan for the structure and for formalization of the mandate of local administration is based on a national consensus on how local administration must function practically in the Surinamese situation especially in relation to the central administration.
2. There is a sustainable mechanism with which the Regional Bodies, the Planning Bureau, the Service for Town and Country Planning and other institutes produce the regional and spatial plans required by law and integrated with national planning, for the national, district and local constituency level, just as for special management areas, starting from the “development of local economies”.
3. Legislation on the regional and spatial planning has been adjusted and made operational.

## **VII.2. Planning of Growth Poles (Urban Centres)**

The historically grown settlement pattern in Suriname is a challenge for a quick and balanced diversified regional development. The developments in the last two decades show that the economic activity has been insufficiently capable of pushing back the desired urban concentrations, especially further inland<sup>38</sup>. The plans of local economies and the role of the Government in the provision of essential social and physical infrastructure, also including services and transportation facilities, is a prerequisite for a healthy and successful formation of urban centres.

In this planning period, based on a participatory model and using the modern planning techniques, the strategic plans for four urban centres in Suriname and the ensuing five-year action plans will be prepared.

For the exact location of these urban concentrations, research and consultation will have to be conducted, but based on the available information it can already now be stated that it concerns the concentrations of population in the following regions:

- the Brokopondo area, which heavily relies on the economic activities in the mineral sector;
- the Marowijne area, which heavily relies on the economic activities in the mineral and transport sector;
- the Paranam the area, which heavily relies on a wide range of economic activities including: industry, services, trade, transportation and storage and energy generation and

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<sup>38</sup> In the previous century the bauxite industry in isolated areas, but also the rice production stimulated the formation of population concentrations such as in Moengo/Wonoredjo, Paranam and surroundings and Wageningen respectively.

- the Nickerie area, which heavily relies on the economic activities in the agriculture, industry, trade, transport and storage.

### **VII.3. Identification, Support, Promotion and Facilitation of Plans for Local Economies**

Local Economic Development (LEO) as a strategic approach of the development process is essentially a bottom-up approach of the development challenge, which by means of increased participation and public and private partnerships, aims at sustainable economic growth. Meanwhile, this approach is already widely applied also in developing countries, as a result of which the achievement has become in fact a method for regional development, employment policy and poverty alleviation<sup>39</sup>.

LEO must bring together the citizens, the local government, the businesses, social and other NGOs of a specific region in partnerships in order to optimize the use of people, resources and opportunities in order to plan sustainable development. Such a plan for the local economy can make use of a mix of several programs, which best fit in the opportunities of the area varying from the regional, industrial, employment or community development strategies. The most important criterion is that the plan must be based on a) the actual situation, b) the development opportunities of that specific area and broad consensus among the people, businesses and their organizations in that area. Of course, as part of the local development also the development capacity of the specific region is included. With the explicit adoption of LEO as approach and method with the regional planning, the following considerations have played an important role:

1. As a strategy this approach is closely in keeping with the Constitution and the principles of participation and decentralization laid down in the act on Regional Authorities. These have been substantiated in the regional representative and administrative bodies.
2. As a planning method/technique it can be seen as a further elaboration of the planning products and procedures required under the act on Regional Authorities.
3. The anticipated goals and outcomes just as the methods for LEO increase the chance of optimal use of all development opportunities of a specific region and could among other things reduce the enclave nature of mining.
4. Entering into partnerships, an essential aspect of LEO, offers new options for the setup and the maintenance of social and physical infrastructure, of which both investment and maintenance costs can be shared.
5. Strengthening the development capacity of small isolated communities in the interior, especially the local administrative bodies, the (small) businesses and the networks of organizations for development.

The core challenge for a development strategy that makes significant use of the method of LEO is identifying regions by means of empirical methods. Because these methods and criteria can identify local economies, it may be that this may or may not coincide with the boundaries of the legally established political-administrative regions: districts and local constituencies.

The lessons learned from the efforts in Suriname to prepare, adopt and implement regional plans (development, structure and regional plans) are that the involvement of political and interest groups at all stages of this process, is a necessary condition for the purposes of the plan. Especially in this respect, the integration of the political efforts to increase participation and deepening of the

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<sup>39</sup> The concept of promoting and facilitating plans of the development of specific, selected regions started some decades ago in Europe and the USA. Refer to programs of the ILO, WB and IDB



decentralization with LEO offers opportunities to make great strides. However, the alignment of the legislation as set out above in paragraph VII.1, will be decisive for success.

#### **VII.4. Zoning: Development, Structure and Zoning Plans**

As a result of ICT and the greater availability of demographic, social, economic data, as well as data about the physical characteristics of small geographic units, techniques that are used for zoning, have become increasingly popular. It is now much easier to define areas on the basis of empirical data and to regulate land use for goals set and the resources available in the area. In compiling regional and zoning plans, with zoning being an important tool, based on sustainable development and consensus building, eventually a decision should be made on the goals of land use.

In this planning period it will be determined by or pursuant to the law which indicators are necessary for the determination of development, (urban) regional, and zoning plans, as well as plans for protected areas (see also the Planning Act 1973 and the Urban Development Act 1972) . It will also be determined which institutions are responsible for the collection and official adoption (publication) of these indicators, including the Planning Bureau, the Service for Town and Country Planning, the General Bureau for Statistics, Soil Survey, the Hydrodynamic Service and the Meteorological Service.

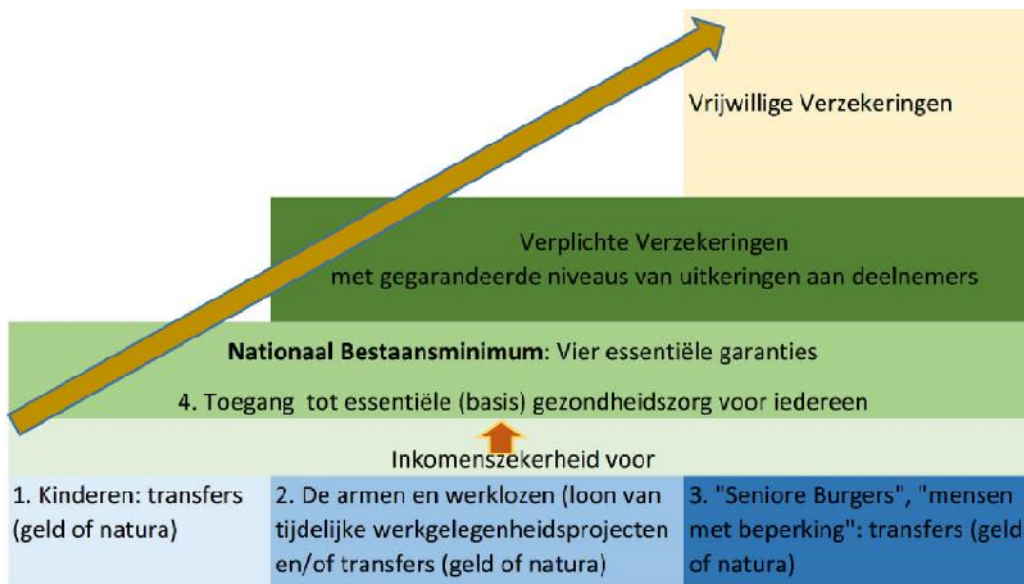
### **Chapter VIII: Social Progress**

#### **VIII.1. An integral Strategy for the Social Sector**

Social progress may be considered as the most essential objective of the development policy, especially if this is interpreted as progress of the levels of existence, not so much of individuals but of the most important social groups and the development of the institutes that play a key role in the process.

The challenge in the great planning and policy for economic and social progress and to combine these with the preservation of the environment, is an obvious and accepted goal. However, realizing this, now global objective, constitutes several challenges. Without underestimating these challenges an equally big challenge is to avoid compartmentalization in the social policy and to plan social development in a holistic manner, to actually deliver the integrated packages of services required by the several target groups and clients. The first condition in this respect is that at various levels, but initially at the highest level, the political will and the strategic concept are developed and laid down.

**Diagram VIII.1.1 The social security ladder**



*The Social Security Ladder (adapted, ILO Extending Social Security for all: a guide through challenges and options)*

Diagram: The social security ladder:

Voluntarily insurances

Compulsory Insurances with guaranteed levels of benefits to participants

National subsistence level: four essential guarantees

4. Access to essential (basic) health care for everyone

Income security for

1. Children transfers (money or in child)
2. the poor and unemployed (wage of temporary employment projects and/or transfers (money or in child))
3. Senior citizens, people with a disability: transfers (money or in child)

Initiatives for an integral social policy have already been developed at the level of the international strategy and policy-making, and examples include the adoption of the Sustainable Development Goals, the Social Protection Floor Initiative (UN / ILO) and the Health in All Policies initiative (WHO ) (see diagram 1). Suriname's system of social basic security in combination with virtually free education up to the University can be enriched where necessary, without many complications, with international experience with the integration of the various social policies.

The definition of "Social Protection Floor"<sup>40</sup>, [National Minimum Subsistence], already fairly well agrees with the conception which was followed with the establishment of Suriname's social security system in 2014 (see also Section VIII.1.2).

<sup>40</sup> "A national Social Protection Floor (SPF) is a basic set of rights and transfers, enabling and empowering all members of a society to access a minimum of goods and services, and that should be defended by any society, at any time." (Social Protection Floor Initiative: Manual and Strategic Framework For Joint UN Country Operations, page 1)

The importance of an integrated social policy is of great importance for the small-scale, multi-ethnic and multicultural society of Suriname, which is also multilingual and unevenly spread over our territory. The development goal for the integral social policy reads as follows:

**The social resilience and self-esteem of individuals and groups in Suriname have been elevated and this increases their participation in the Surinamese and world community and improves the quality of life both objectively and subjectively.**

The following outcomes will be further elaborated in the policy in results and action programs of the relevant ministries and institutions:

1. Increased integration of the various systems of social services and securities guarantees a minimum standard of living for all citizens, strengthens their social resilience and increases their economic, as well as their social participation. Memo: securities conditional (cash) transfers, (mandatory) social security, active labour market, educational and cultural programs.
  2. Rationalization of the subsidy policy through two reform procedures: a) shift of the basis of subsidizing organizations to subsidizing clients; b) strengthening of the NGO sector, including through training and encouraging economies of scale by collaboration and formalization and adjustment of subsidy conditions.
  3. Education and science are integrated and contribute more effectively to the development of competent, certified and internationally competitive citizens and the social and technical skills, knowledge, innovation and creativity acquired in education contribute better to their personal and national progress. The educational system is better integrated into the Surinamese culture, social situation and labour market and thereby contributes effectively to personal progress.
  4. Labour Market Trends driven by the economic growth will be adjusted by enabling labour market reforms and active labour market programs that support the growth and diversification objectives of macroeconomic policy and create more and better jobs.
  5. Healthier living and eating habits, a better working and living environment and curative health care system, which is more affordable, accessible and with an improved quality, increasing the health of the Surinamese population.
  6. Increased personal safety, peace and order increase the quality of the working and living environment of the Surinamese population.
  7. The different cultural groups in our society experience and develop their own cultural norms, values and forms of expression in mutual respect and actively contribute to our cohesive multicultural society and the ever-integrating world community.
  8. Increase of the housing options enables the Surinamese households to better meet their housing needs based on their physical, social and cultural considerations, their financial capacity and the capabilities of the State to provide support.
  9. The optimal participation in sports and games and in education, employment and communities increases the physical and mental health of the Surinamese population and
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participation in and performance of sports contribute to social integration and nation building.

### VIII.1.1. Poverty alleviation

The discussion about the poverty alleviation policy has up to now been unproductive, without an accepted and empirically-based research into the prevalence of poverty and the intensity thereof<sup>41</sup>. Given the experience with such research at national, regional and international level, the design and maintenance of a mechanism to measure poverty in Suriname is mainly a question of political will and consensus-building. In this planning period, the institutional framework for formulation, implementation, monitoring and evaluation of a national poverty alleviation strategy will be developed. From a policy point of view it is necessary to have consensus on the definition of poverty, a poverty line and then for policy formulation, the setting of a minimum subsistence level, which the government, the business community and other social organizations want to guarantee to every citizen. The wording and broad social consensus on the national poverty alleviation strategy must be based on empirical research<sup>42</sup> and analysis, which provide insight into:

- The prevalence and the severity (intensity) of poverty.
- Characteristics of the poor.
- Starting points for sustainable poverty alleviation which not only starts from transfers but also aims at decreasing the vulnerability and increasing the resilience of the poor.

The disappointing growth of the world economy and the sharply fallen foreign exchange earnings from the mineral production, partly as a result of the global "commodity crisis ", have had a direct effect on the standard of living of the Surinamese population. After all, the mineral exports provide more than 90 percent of the foreign exchange earnings (on the current account) and in such manner determine the capacity of the national economy to finance the consumption of the families, the Government and the intermediate consumption of the companies. The exchange rate regime and hence the exchange rate for foreign currency, play only a regulatory role in this respect. As a result of the exchange rate development, so the functioning of the price mechanism, the real incomes of the fixed income earners (wage and salary earners, pensioners and social security recipients) fell sharply.

Table VIII.1.1.1 CPI, Inflation rate, Nominal Minimum Hourly pay and Purchasing Power Minimum hourly pay in 2015 and 2016

	CPI*	Inflation*	Minimum hourly pay in SRD	
			Nominal	Purchasing power*
2015	150.8		4.30	4.06
1 <sup>st</sup> half 2016	208.2	38.1	5.22	3.60
2016	239.6	58.9	5.22	2.74

Source: CPI 2015, CPI 1<sup>st</sup> half of 2016, ABS. Other data are calculations/estimates of SPS

\* Monthly average over the period

<sup>41</sup> Since 2000 no official poverty statistics have been produced or published. The ABS determined In 2000 the ABS concluded that the poverty percentage in Suriname amounted to 67%. There are other higher but also lower estimates

<sup>42</sup> Advanced agreements have already been made with national and regional institutes on technical and financial aspects of a comprehensive poverty survey, which should make it possible to monitor the developments and to implement programs more efficiently by means of the multidimensional approach of poverty.

Since the consumption in Suriname has a very high import component, it is especially the diminished capacity to import, which has an immediate impact on the subsistence levels. But also restoring the subsistence levels by increasing the purchasing power remains a challenge if this would again cause exchange rate instability by increasing the imports. This effect would be less robust if consumption and thus the purchasing power, could focus on locally produced goods with high local input component. Unfortunately, it is difficult to get this production going and it depends on private initiative and only if the foreign exchange crisis arises, the debate on diversification of the economy flares up again. In this approach, the recovery and the diversification of the economy, but especially the foreign exchange earning capacity, are crucial conditions for a significant reduction of poverty caused by the crisis. However, as indicated in the SHP it is necessary in the meantime, to prevent a worsening of the income distribution and to create a social safety net for the most vulnerable. Such a safety net must prevent the crisis from causing irreparable social harm to the most vulnerable individuals and groups, including children, adolescents, the elderly, the unemployed and other people in need. In addition, the poverty alleviation policy is part of the social policy as a whole and the challenge is to build in smooth transitions in the policy, in order to prevent the people in poverty from ending up in the “poverty trap”. The development goals of poverty alleviation policies do not differ from the wordings on page 109, which describes the development goal and the outcomes of the strategy of the Social Protection System.

In order to prepare and implement the urgent poverty alleviation programs and measures, included in among other things the SHP, and evaluate these responsibly, on the advice of the National Commission Establishment Poverty line (NCVA) and the Social Economic Council (SER ), the government will set the poverty line and a subsistence level. This work also lays the foundation for long-term policy, which will be based on the national poverty alleviation strategy and the envisaged reforms of the social services provided by the Ministry of Social Affairs and Public Housing.

### **VIII.1.2. Social Protection System**

A Social Protection System is a coherent set of public measures to protect against economic and social distress, partly resulting from the absence or substantial reduction of income from work as a result of, inter alia, sickness, maternity, occupational accident, unemployment, invalidity, old age or death of the breadwinner. The social protection also includes ensuring health care and services for households with children.

A major weakness of the current social protection system is that goals and organization of the components are not planned and not made operational as a coherent whole. The programs are too much or just based on transfers in cash or in kind. There is no integration with complementary programs in other departments or ministries. The result is a plurality of programs that are provided to clients by different providers. This leads to duplication of the services.

Another structural problem is the direct financing of the social securities from the current state budget. In times of financial constraint, a crisis in the health care system immediately arises as well. The problem is exacerbated by inadequate planning of the actuarial sustainability of programs. Reform of the policy is therefore a priority. Among other things the Conditional Cash Transfer (CCT) program will be implemented.

In cooperation with the UN agencies, but especially the International Labour Organisation (ILO), Suriname will formulate and implement its long-term policy for the development of the Social Subsistence Minimum with particular attention to the sustainability of the system. The strategic objective of the social protection system is formulated as follows:

**Implementation of the national strategy for the social protection system, which is based on a minimum subsistence for everyone, giving all citizens access to jobs and essential goods and services such as food, (drinking) water, sanitation, health, education, family counselling and community work and social transfers in cash or in kind by means of an integrated social protection system with criteria-based programs, of which the budgetary and actuarial sustainability have been calculated and ensured.**

The following outcomes will be further elaborated in the policy in results and action programs of the relevant ministries and institutes:

1. The Social Sub-Council of the RvM [council of ministers] leads to the adoption, implementation and monitoring of the strategy for reform of the social protection into an integrated social protection system that guarantees every citizen the minimum subsistence level and is an important tool for poverty alleviation.
2. Existing and new social programs and efficient, specialized executive bodies / organizations ensure beneficiaries access to essential services, are complementary and budgetary and actuarially sustainable and transparent.
3. Efficient, specialized public and private institutions / organizations carry out poverty-alleviation programs designed for target groups based on the cause of their poverty and / or other relevant personal or group characteristics.
4. Programs for social transfers in cash or kind are conditional and integrated with the development of self-reliance, knowledge and skills, employment, self-esteem, community participation and empowerment.

In 2014 three laws were promulgated, which constitute the basis for the Surinamese Social Security System. These are:

1. the National Basic Health Care Insurance Act;
2. the General Pension Act and
3. the Minimum Hourly Pay Act.

Since October 9, 2014 **the National Basic Health Care Act (BAZO)** compels every resident to take out health insurance for medical expenses. As of August 2016 the Basic Health Care Implementation Agency reported that a total of approximately 400,000 people were insured under this scheme. By using a BAZO insurance these persons are guaranteed a basic health care package: medicines, doctors treatment and selected specialist and paramedical treatments.

Of particular concern is the group of people who cannot pay the compulsory insurance scheme and qualify for the relevant government subsidies. The law offers the possibility to persons in certain circumstances to receive an allowance from the ministry of Social Affairs and Public Housing by payment of the premium. This allowance and a related subsidy were intended to solve the problem of the so-called Poor and Near Poor scheme. In this respect, the standards and procedures to qualify for this subsidy and the monitoring of and potential for reclamation in case of abuse. Based on the current criteria for eligibility for full or partial exemption from payment of the premium, so subsidy by the Government, the following categories may be distinguished:

1. Persons in specified age groups. After submission of a request, they receive a 100 percent subsidy of the premium, the scheme has been operational from July 1, 2013 for:

- a) Children from 0 to 16 years and;
- b) Persons aged 60 years and older.

As of August 2016 approximately 138,000 people in these age groups were funded or approximately 70 percent of this age group. The Ministry of the Home Affairs pays the subsidy to the health insurance company.

2. Persons who meet the income and / or other criteria set by the Ministry of Social Affairs and Public Housing. The persons concerned must submit a request for funding to this Ministry. In 2015 the Ministry of Social Affairs and Public Housing began with the transformation of the Poor and Near Poor scheme (health card) to the new Basic Health Care Scheme. It involved a total of 65,000 persons who were holders by June 2015. As of August 2016 the Government financed the BAZO insurance for a total of approximately 230,000 persons. It is unclear how this subsidy will be funded in the long term and as the number of beneficiaries continues to grow, this may pose a threat to the continuity of the system.

**The General Pension Act 2014** requires employers and employees, but also self-employed people to take out a pension insurance. This contributing system offers participants the perspective of an old-age pension after the age of 60. The total number of participants has grown from more than 1,000 in January 2015 to 20,000 in the second half of 2015. The aim is to increase the number for the short term to at least 30,000. This law aims at increasing the coverage of the active population for pensions by providing a pension scheme to persons who were not yet covered by an existing scheme. In 2016 the Civil Servants Pension scheme protected about 19 percent of the active population, while about 10 percent of the active population was covered by a private pension or retirement provision (see table VIII.1.3.1).

**The Minimum Hourly Pay Act** was promulgated in September 2014 as the third component of the social security system. The law came into force as of January 1, 2015 (see diagram 2). Though, as anticipated, this law is not a perfect product and stakeholders need continued dialogue, this legislation provides a starting point to improve and strengthen the SZS.

The purpose of this law is to guarantee employees and their families a certain minimum subsistence.

*“Introduction minimum hourly wage*

*Article 2*

1. *With the entry into force of the Minimum Hourly Wage Act, a mandatory minimum hourly wage has been established and introduced for all natural and legal persons, who for payment, offers, provides a service, or performs labour.*
2. *This act does not affect a higher hourly wage agreed prior to the said entry into force.*
3. *The right to at least the minimum hourly wage is created if a natural or legal person, whether or not on the basis of a written contract of employment, performs labour, causes labour to be performed, provides a service or causes a service to be provided.*
4. *The minimum hourly wage does not apply to:*
  - a. *persons employed with international institutions with their registered office in Suriname;*
  - b. *diplomatic and consular personnel employed by foreign powers based in Suriname.*
5. *The provisions as set forth under paragraph 4 may be supplemented by state decree.*
6. *It is prohibited, whether through the intervention of third parties or not, to work, offer work, cause work to be performed or services to be offered, to be provided or to provide such*

*service at an hourly wage, which is lower than the minimum hourly wage stipulated by this act.*

7. *Any act, in the course of which the rights and obligations arising from the provisions by or pursuant to this act are violated, shall be null and void.”*

**Diagram VIII.1.2.1 Minimum hourly pay per Sector**

1. Upon the entry into of this act the minimum hourly pay was set at:		
as at 01 January 2015		4.29
as at 01 January 2016		5.22
as at 01 January 2017		6.14
2. Upon the entry into force of this act, the minimum hourly pay for the following sectors or professional groups is as follows:		
a) 2015 for shops with the exception of community shops with fewer than 4 employees 120 percent		5.15
	2016	6.26
	2017	7.37
b) 2015 for hotel and catering establishments with more than 12 employees and personnel of security companies 140 percent		6.01
	2016	7.31
	2017	8.60
3. The minimum hourly pay per sector or professional group may never be less than as set out in article 3, Act of September 9, 2014 providing for the introduction of the Minimum hourly pay (Minimum Hourly Pay Act)		

Source: Minimum hourly pay Act, adaptation SPS

**VIII.1.3. Social Security and Employment**

Creating and protecting good or decent jobs is a key objective of policy and planning for social progress, including a social security system. After all, jobs that guarantee fair income and basic social services, enable the workers and their families, largely on their own, to achieve the established national poverty line. In this approach it is of the utmost importance to integrate employment, health care and social protection policy, as well as poverty alleviation into the Suriname Social Security scheme, which began with the adoption of the relevant legislation in 2014. In this respect, as stated in the above sections, a proper assessment should be made of:

1. the efficiency of the labour market and the cost of financing social protection. Among other things in relation to the challenge of employment such as the creation and preservation of jobs and issues around informal and formal labour.
2. the amount of social contributions, the replacement and coverage rates and the funding systems. Among other things in relation to the strategy to ensure the sustainability of the social protection system and to create a healthy relationship between the protection which is liable to pay contributions and that part of the system, to which stakeholders need not contribute.
3. poverty alleviation and other areas and measures of social policy. It is of the utmost importance to integrate poverty alleviation in the general social policy. In the first place to avoid the poverty trap but also to avoid unilateral poverty alleviation programs and to develop and implement multi-dimensional poverty alleviation programs.



The consideration referred to here should after research and policy development and after tripartite consultation result in the adoption of a strategy for sustainable social security and employment.

Employment policy and planning in the planning period 2017-2021 will be largely determined by anticipated labour market developments and the strategic approach of the "Surinamese labour market." With regard to last-mentioned it must be noted that the "Surinamese labour market" shall consist of three labour markets, which, although connected to each other, still need to be distinguished as separate components, which, because of their different nature and size have other challenges and, therefore, also require adapted policy and plans. In this respect it is about:

1. The labour market in the coastal region, which, based on a rough estimate covers about 75 percent of the economically active population, is a full labour market that is part of the (global) market. It is dominated by wage labour, functions on the basis of modern industrial relations, the labour legislation is relatively well-respected and there is relatively reliable labour market information (statistics). There are trade unions and employers' organizations which contribute in both tripartite and bipartite institutions to the labour market business.
2. The labour market in the remote areas in the interior, where the State is only marginally present, is a dual labour market, which breaks down into:
  - a) a market segment dominated by small and medium-sized informal gold and timber companies for which there is virtually no labour market information available;
  - b) the other market segment, which is dominated by multinational companies mainly in the gold sector, for which relatively reliable labour market information is available but not freely accessible.
3. The tribal population in the interior, which is dependent on hunting, fishing and subsistence agriculture. These geographically dispersed, small communities have no labour market since they have no or no full-fledged money or market economies. Regardless of whether or not there is a modern labour market, employment is of course vitally important for the people in these communities and the responsibility of the Government is no different than that in the urban and rural areas in the coastal region.

The above already reflects the fact that the availability of reliable labour market information is a major challenge for analysis and formulation of policies and plans, as well as monitoring and evaluation of the implementation. A detailed labour market analysis, based on that which has been presented above, is a significant activity that should enable customized policy and the monitoring thereof. Until then, employment policy can only be based on the following insights and projections of employment in Suriname as presented in Table VIII.1.3.1.

The employment projections for 2015 and 2016 as well as the three detailed growth projections predict a worrisome situation regarding the job creation. This is partly due to the weak economic growth in 2014, but especially the contraction of the GDP in 2015, 2016 and 2017. This has undoubtedly resulted in job losses in this period. Combined with the estimated average annual growth of the Labour Active Age-Group by 2.0 percent per year, expectations are that unemployment will be a serious issue in this planning period.

Active labour market policies and action programs will have to mitigate the employment effects of the crisis on the population and provide additional stimulus to the economy. This labour market policy will be developed in a customized manner for the labour market segments set out above, and this by the relevant line ministries, the Regional Board and the Planning Board. This is in addition to the strategic approach that will bring mainly restoration of economic growth, diversification of the

economy and rapid and sustainable growth in employment. The strategic goal for the labour market and employment policy, as part of an employment-friendly macroeconomic policy is:

**Stimulating an increase of the GDP and job growth, more and better jobs (Decent Jobs) which contribute to the income and social security and resilience of especially the poor families.**

The following outcomes will be further elaborated in the policy in results and action programs of the relevant ministries and institutions.

1. The monetary and fiscal policy encourages investments, limits a too weak contraction of the economy and employment just as a further deterioration of the income distribution.
2. An active labour market policy and the investments set out therein increase the deployment at the labour market by technical and vocational education and strengthens small entrepreneurship and government investments in infrastructure increase job creation.
3. Investments in labour-intensive infrastructure projects encourage small entrepreneurship, the economic, social and community development and create temporary jobs that increase the incomes of specific groups.
4. The minimum wage of the workers and the social security system associated with the labour meet the needs of the employees without endangering the continuity of the business organization and / or the insurance system and institutions are responsible with the scrutiny of these by law.
5. Innovative support programs for NGOs and the Government increase the production and earning capacity of the workers who operate "outside or within the margins of the labour market" and in this manner keep themselves and their families alive in the interior or in the rural areas of the coastal strip.
6. A migration policy to maximize the advantages and minimizes the disadvantages of labour migration within the small Surinamese society and labour market.

**Table VIII.1.3.1 Estimates of the entire population (GB), the Work Force Age Group (AAL)**

AGE CATEGORY	Total Population and Labour market categories								
	2012 <sup>1</sup>			2017 <sup>2</sup>			2022 <sup>3</sup>		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Total Population	541,638	270,629	271,009	595,034	297,469	297,565	650,070	324,990	325,080
AAL	389,475	191,659	197,816	439,462	217,652	221,810	483,525	239,822	243,703
Youngsters	88,869	44,427	44,442	95,929	48,840	47,089	98,927	50,675	48,252
AAL as a percentage of the Population	71.9	70.8	73.0	73.9	73.2	74.5	74.4	73.8	75.0
Youngsters as percentage of the Population	16.4	16.4	16.4	16.1	16.4	15.8	15.2	15.6	14.8
<b>Baseline</b>	<b>Employment estimates: Baseline</b>								
LFPR (2010-2015)	54,1	65,6	42,7						
Labour force*	210,572	125,713	84,418	237,598	142,763	94,657	261,421	213,168	104,000
Average elasticity (2009-2014) employed	0,6			0,6			0,8		
Employed***	188,229	118,745	69,484	187,457			197,595		
Unemployed	22,343	6,968	14,934	50,141			63,826		
Unemployment rate	10,6			21,1			24,4		
<b>Desired growth projection</b>	<b>Employment estimates: Desired growth potential</b>								
LFPR (2010-2015)	54,1	65,6	42,7						
Labour force*	210,572	125,713	84,418	237,598	142,763	94,657	261,421	213,168	104,000
Average elasticity employed/GDP**	0,6			0,6			0,8		
Employed***	188,229	118,745	69,484	187,457			214,560		
Unemployed	22,343	6,968	14,934	50,141			46,861		
Unemployment rate	10,6			21,1			17,9		
<b>Pessimistic growth projection</b>	<b>Employment estimates: Pessimistic growth potential</b>								
LFPR (2010-2015)	54,1	65,6	42,7						
Labour force*	210,572	125,713	84,418	237,598	142,763	94,657	261,421	213,168	104,000
Average elasticity employed/GDP**	0,6			0,6			0,6		
Employed***	188,229	118,745	69,484	187,457			189,270		
Unemployed	22,343	6,968	14,934	49,156			72,151		
Unemployment rate	10,6			21,1			27,6		

Source: input data from the ABS, Census 2012, Household Survey and National Accounts, adaptation SPS

\* The labour force has been estimated, based on the Consensus figures 2012 and the data of the ABS Household Survey (2012 through 2014)

\*\* Based on the impact of successful development programs the employment intensity of the GDP-growth increases: in the period 2019-2021 the elasticity of the employment over the GDP from 0.6 to 0.8 as of 2019

\*\*\* The number of employed has been estimated based on the elasticity of the employment over the GDP

#### **VIII.1.4. Housing**

Solution of the housing problem is a prerequisite for social progress: sustainable and affordable housing for families in accommodating residential communities contributes in many ways to their economic, social and cultural development. There is general consensus that the housing situation in Suriname requires drastic and decisive measures that are part of a strategic plan. After all, there are many challenges that have for decades seriously stagnated progress in this context. The existing legislation and planning, the Housing Plan 2012-2017, provide a basis on which to further build and it also explains the points of departure from the institutional structure. With housing the question is actually how to meet the housing needs of the people. The housing needs of families have more aspects than just "a roof over your head" and will be defined by consensus, given the divergent interests involved in the demand and supply of housing and the establishment of residential communities.

The success of practical and feasible programs and projects depends on an understanding of the target audiences, their specific "living standards" and financing options based on the ability to pay, and should be based on empirical research and analysis. These studies will be carried out early in this planning period. However, successful planning in this area also depends on determining missing but necessary spatial and zoning plans that include the infrastructure for housing, work, energy and transportation. Consolidating the regional planning is an important condition for success of housing programs and projects.

The strategic goal for the housing sector is that:

**Identified target groups, in accordance with their ability to pay, realize their housing needs through rental or owner-occupied housing, where necessary, supported by participation in special public or community programs, which are facilitated or implemented as part of the national housing strategy.**

The following outcomes will be further elaborated in results and action programs of the relevant ministries and institutes:

1. There is a national consensus on the empirical information-based housing strategy, which is based on the spatial plan, identified target groups, their ability to pay and housing needs and is elaborated into an operational housing plan.
2. The financing strategy for house building, uses Surinamese sources and funds made available by the international development partners and offers people who do and who do not opt for a property of the social (public) housing program funding options to meet their housing needs.
3. An increase in the skilled construction workers, highly skilled and certified contractors, ensures the increase in construction volume due in part to reduced housing costs by using alternative materials, techniques and adjusted construction standards.
4. Better laws and regulations and the monitoring thereof and the increased construction volume stimulate the supply of affordable rental housing and normalize the market for rental housing.

#### **VIII.2. Education**

In the current Surinamese, but also the world community, participation and success increasingly depend on skills, knowledge and technology and education has become an essential condition for economic and social progress. But the impact of ICT on the sharing of culture has a profound effect on culture, and the preservation and the development of the "own culture". In this process, education plays a key role.

Language and culture play an important role in learning, especially of children. Therefore it is a very big challenge to design an efficient education system tailored to the multi-ethnic, multicultural and multilingual Surinamese society. This mainly involves key aspects of education such as the training and selection of teachers, the teaching methods and curricula, including the language of instruction,

teaching materials / books, and the quality control systems. In all this, "cross-cutting" issues that also determine the efficiency of education play a role, such as testing methods, education structure and full integration of ICT. Although a lot of work has already been done, including in the field of education strategy and planning, some "big decisions" on key issues have yet to be taken in education and there is broad consensus on greater efficiency of the education system. More and better statistics and research are needed to better underpin the aforementioned decisions. Then Suriname will be able to develop its own education system that has a higher efficiency partly because it better links up with present cultures, languages but also the demands of the society, the labour market and "lifelong learning".

The educational organization has been struggling for decades with challenges that limit the efficiency of the system, including:

- Insufficient implementation capacity (qualitative and quantitative).
- Inefficient and ineffective education administration.
- Strong centralization of education departments.
- Low communication between macro, meso and micro level.
- High absenteeism among teachers.
- Unattractive salaries.
- Inadequate physical infrastructure.
- Discontinuity of policy.

Despite these challenges and the tremendous shocks, education has endured at different times in the last few decades as a result of the deep economic and social crisis, the damage to the quality of education has remained reasonable. However, preservation of quality is, traditionally, based on "selection": those who join, can be successful and the rest drops out or is channelled to a "lower stream" mostly in technical or vocational education. This creates particular problems in technical and vocational education, apart from other issues, such as the low status of this crucial direction in education. Key challenges that need to be incorporated into the new education strategy include:

1. Integration of ICT in education at all levels, in all regions. This concerns the following key issues: distance education (including teachers), extra help for pupils / students.
2. The quality of education in the interior by finding solutions to issues such as the shortage of fully qualified teachers, the language barrier, the distance from home to school, inadequate physical infrastructure, lack of good and safe drinking water and continuity of the electricity supply.
3. Preventing and resolving structural learning disadvantages with which large groups of students are confronted.
4. The integration of competency-based education as a method especially in technical and vocational education.
5. Strengthening and improving the quality of higher and university education, including the solution of the issues on certification.

The strategic goal for education is:

**Developing an education system that reflects the multi-ethnic, multicultural and multilingual Surinamese society and whose customized programs, make teaching more accessible and enables young and senior citizens to get education their whole life-long so that they participate more at national, regional and international levels, especially in the labour market, science and technology.** The following outcomes will be further elaborated in the policy results and action programs of the relevant ministries and institutions:

1. The reformed education system encourages and enables education participants, from the different Surinamese ethnic, cultural and linguistic groups, to achieve better learning outcomes.
2. Customized programs in education, the integration of ICT, the developed curricula and testing, motivate the education participants, minimize the chance that students incur delays and evaluate the learning performance.
3. An efficient educational organization, better horizontal and vertical access, ICT for distance learning and other measures facilitating access and enable citizens to educate themselves their whole life-long.
4. Curricula better aligned on admission of further education and the needs of the labour market and better, accredited programs increase the chances of national, regional and international participation in the labour market, science and culture.
5. A decentralized, digital "real-time" National Education Information System increases the efficiency of educational organization (and management), the participation and academic performance and provides the statistical information necessary for empirical information-based policy.
6. An efficient and targeted quality control system guarantees the quality of education and monitors the certification programs and training.

### VIII.3. Public Health

Health<sup>43</sup> can be defined as a state of physical, mental and social wellbeing and not entirely just the absence of disease or disability. A healthy nation is the central goal of the healthcare policy, generally classified in the primary, secondary and tertiary care. In the international approach of primary health care the following definition<sup>44</sup> is started from, which explains what should be meant by primary health care:

*"... Essential health care based on practical, scientifically sound and socially acceptable methods and technology that are generally accessible to individuals and families in the community through their full participation and at a cost that the community and country can afford at every level of their development in the spirit of self-reliance and self-determination. ... It is the first level of contact of individuals, the family and the community with the national health care system, which brings health care as close as possible where people live, and constitutes the first element of a continuing health care process "*

In this respect it is noted that the primary health care system is an integral part of: a) the total health care system of which it is a central function and focus, and b) the social and economic development of the community as a whole. Preventive health care is a major aspect of the primary health care, with the following points for attention:

1. The identification of the major health issues in the community and providing related services, such as education, prevention, cure and rehabilitation.
2. The accumulation of knowledge in individuals, families and communities:
  - a) the prevailing health and prevention and control methods;

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<sup>43</sup> WHO Terminology Information System (online glossary) <http://www.who.int/health-systems-performance/docs/glossary.htm>.

<sup>44</sup> The WHO and UNICEF conference in Alma-Ata in Siberië (1978) introduced the term Primary Health Care which started from this definition and gives some guidance in the discussion about the contents of this concept.

- b) increasing food supply and proper nutrition, the provision of safe drinking water, essential health facilities, maternal and child health including family planning, immunization against the major infectious diseases and the prevention and control of endemic diseases;
- c) the most appropriate treatment of the major diseases and injuries as well as the provision of the essential medicines.

3. The integration of health issues and solutions in the policy for all other social and production sectors and aspects of national and community development as part of a coordinated approach.

The secondary and tertiary health care in Suriname, more often called the curative health care, mainly focuses on the healing of the sick and is characterized by the key role of highly specialized knowledge, (imported) Western medicines, advanced medical equipment and technology as well as massive infrastructure. The costs of the curative care are also very high and the continued development of the technology and (medical) science threatens to exacerbate this trend. The funds made available by the insurance system for the health care are almost entirely spend on the secondary and tertiary i.e. the curative care. However, the international and national consensus is that the attention and investment should increasingly go to the primary or preventive care.

The above and the heavy decline of the state revenues have had an enormous impact on the ability to finance the high cost of secondary and tertiary health care. Strategic changes include the increased emphasis on the preventive care but also the use of non-Western medicine and appliances as part of the difficult but desired integration of Western and non-Western medical and health care. Partly on the basis of the above, the strategic development goal for health care states:

**Healthier lifestyles and living and working environment of the Surinamese population, minimizing the incidence of diseases and the improved curative health care system is more affordable and more accessible.**

The following outcomes will be further elaborated in the policy in results and action programs of the relevant ministries and institutions:

1. The awareness campaigns, legislation and regulation promote a healthier lifestyle and living and working environment of the population.
2. Innovative cost analysis and control of the service providers, growing medical tourism and personal responsibility to reduce the cost of medical care, increase the availability and accessibility of quality health care for the entire population.

In keeping with these development objectives, the health care policy<sup>45</sup> for the period 2017-2021 has been divided into two policies, three pillars and four action areas. See diagram below.

Diagram VIII.3.1 Outline Healthcare Policy 2017-2021

<b>Policy Areas</b>
1. Prevention and reduction of diseases, and mortality.
2. Accessibility and access to quality care for the entire population.

<sup>45</sup> Ministry of Public Health, Draft Budget 2017.

**Pillars of Health**

1. High quality health care is accessible to everyone.
2. The social determinants of health have improved.
3. Health care is integrated into operational community development programs.

**Areas of action**

1. Efficiency and sustainability of funding.
2. Adaptation legislation, improvement of the institutional structure and organization.
3. More, qualitatively acceptable, better and affordable medicines and tools
4. Disease Control and Prevention

Source: Ministry of Public Health, Draft Budget 2017

In addition to the continuation of the immunization programmes, preventive research and attention to environmental issues, the disease prevention policy will pay special attention to continuing information campaigns and other measures to promote healthy lifestyles and discourage risky behaviour.

It is about promoting a healthy culture where the emphasis is on behavioural change on three critical risk factors: a) lack of exercise b) unhealthy diet and c) smoking and excessive alcohol consumption.

These three risk factors have been identified in Suriname as the underlying causes of many diseases and therefore the costs the community will have to spend on curative care and lost productivity. They are the social determinants of health and an integrated approach must reduce the risk and associated diseases. The "Health in All Policies" program (Hiap) will lay the emphasis on actions to bring about behavioural change, as a result of which also the indicators of the social determinants of health can be reduced to the planned levels. This will reduce the burden of disease<sup>46</sup> and therefore make sustainable cost savings in health care possible.

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<sup>46</sup> Ministry of Public Health, International Collaboration for Public Health and Sustainable Development of Suriname, Health and Wellbeing in all Policies - Suriname Policy Document (16 August 2016)



Diagram VIII.3.2 The 15 most severe diseases of the burden of disease

1. HIV/AIDS	8. Diabetes
2. Stroke	9. Iron deficiency anaemia
3. Premature birth complications	10. Back pain
4. Ischemic heart disease	11. Brain abnormalities caused by lack of oxygen at birth
5. Self-mutilation	12. Birth defects
6. Depressive disorders	13. Pneumonia
7. Traffic accidents	14. Chronic kidney disease
15. Medical errors	

Source: Ministry of Public Health, Draft budget 2017

#### VIII.4. Sports

As part of a comprehensive strategy for the social sector, sports and exercise are seen as the major aspects of the human interaction and a prerequisite for a healthy population. Regarding the first-mentioned, point of departure is that sports offers individuals and groups opportunities to overcome economic, social, cultural and even political challenges. If the conditions are positive, it may be a binder which also works therapeutically in a variety of situations that qualify as socially or psychologically problematic. Sports and exercise play a role in socialization, foster social skills and positive attitudes and contribute to happiness, enjoyment of life and rest and relaxation. These effects of sports make it an important part of education, the community and community work and the youth and gender policies.

Regarding the second issue, the physical health, the importance of sports and exercise cannot be underestimated. The creation of a "sports culture" is intended to involve the largest possible share of the population in sports, especially by actively participating in some form of exercise. Moreover, exercise is also of great importance in the prevention of obesity and some chronic diseases and the treatment thereof. So the objectives and activities of the sports policy overlap those of programs for preventive health care.

As regards top-class sports, including professional sports, the emphasis is on competition and only a small proportion of the population actively participates in this. However, professional sports has a significant role and function: it can be a binder for the nation, provides relaxation to large groups and provides role models that can be invaluable for motivation and development.

Considered in this broad framework of an integral strategy for the social sector, policies and action programs with regard to sports and exercise are based on the following principles:

1. Lifelong sports.
2. Integration of sports into the other social policy programs and institutions, including in education, public health, youth, gender equality, combating crime and community development work.
3. Optimal use of affordable, efficient and multi-functional sports facilities.
4. Good networking between sports organizations and social and / or government institutions involved.
5. A comprehensive active and passive participation in sports, which is in a healthy interaction with top-class sport.

6. Public and private partnerships to facilitate top-class and professional sports and to gain access to international markets.

Based on the above, for the planning period 2017-2021 the following strategic goal will be formulated for the development of sports:

**Stimulated by more and better sports facilities, organizations, guidance and development opportunities, people of all ages participate more in sports in their pursuit of a better physical, mental and social well-being and inclusiveness, as well as improving their performance as a top athlete in regional and international competition.**

The following outcomes will be further elaborated in the policy in results and action programs of the relevant ministries and institutions:

1. In town and in the districts there are more and better sports facilities, organizations and guidance to practice different levels and types of sports that are used and maintained more intensively and efficiently.
2. Intensification of sports in education and special programs for citizens of all ages increase the participation of target groups in sports and increase the opportunities for development of talented participants to move on to top-class and / or professional sports.
3. Surinamese top-class and / or professional athletes improve their performance in national, regional and international competition supported by improved sports facilities, organizations and guidance and networks that increase their chances of integration into the world top.
4. Funding agencies in sports combine community, governmental and private sources in an innovative way and create funding mechanisms to realize joint programs and projects with overlapping health care, education, youth, the fight against criminality and commercial purposes.

The above development objective and outcomes that are expected, are further elaborated in the National Policy for Sport and Recreation (NBSR) of the Ministry of Sport and Youth Affairs and the action programs derived from the same. It involves three areas for these action programs:

1. **Non-competitive sports**, for which in keeping with outcome 2 for citizens of all ages, in cooperation with other ministries, action programs will be developed with the goal of increased active and passive participation in sports and exercise. For this purpose the NBSR has identified three areas of action:
  - a) recreation, community development and health;
  - b) sports at the service of education and (social) schooling;
  - c) promotion campaigns for participation in sports and exercise and sports as a social activity; part of this promotion is the socio-cultural recognition of sports performance at different levels through the involvement of parents and local communities, school and other communities to sports events and the promotion of athletes as role models.

2. **Competitive sport**, where a favourable environment is created in which social, cultural and economic aspects are given attention so that Surinamese athletes get the opportunity and are encouraged to excel in school and in local communities, as well as at national and international level. For this purpose NBSR has identified the following six areas of action:

- a) creating and maintaining mechanisms for integration between the systems for active and passive participation for large parts of the nation and the world of top-class sports;
- b) talent identification and development;
- c) support programs specifically for athletes and their coaches;
- d) enhanced local and national competitions;
- e) participation in international competitions on the basis of a strategic plan;
- f) development of a rating system.

3. **The physical and social infrastructure to practise sports.** In both aspects of the sports infrastructure, the small size of the Surinamese society is a major challenge:

a) The set-up and maintenance of excellent sports facilities are expensive and to a large extent depend on the design, the institutional setting and the intensity of use. Especially the latter is determined by the extent to which this infrastructure can be used for multiple purposes and audiences, the payment capacity of the users and the quality of management. In the design and the planning of sports infrastructure, these essential prerequisites will be taken into consideration. Regarding the existing infrastructure, the management of the facilities will be modified, based on this approach through innovative management and forms of cooperation, which combine more intensive use and better funding.

b) The social infrastructure for sports, so the sports associations and federations, Government and other agencies, is facing other issues besides the challenge of a small size. The policy will promote the organizations to become aware of the benefits of cooperation and large scale and avoid fragmentation, for the simple reason that it increases costs. The policy will contribute through training, mentoring and funding conditions to increasing transparency, efficiency, professionalism and participation and thus lead to sustainability and scaling of sports associations and organizations. Also, private initiative in sports, including professional (paid) sports (national and international), will be promoted and facilitated.

### **VIII.5. Culture**

According to the definition of UNESCO, culture is a complex of spiritual, material, intellectual and emotional features that characterize a society or social group. Culture is not just art and literature, but also lifestyles, fundamental rights of the mankind, value systems, traditions and beliefs, a catalyst for social, human and economic development. Culture is what and who we are and how we deal with nature, the environment of the surroundings, so decisive for our identity.

The development and thus preserving the local cultures and the dynamics of the external norms and value systems that are transferred only partially and deformed by the international electronic media, demand an innovative culture. The fruits of such a cultural policy must be perceivable, at the level of the social personalities that are formed, but should also be felt at the macro level. Cultural policy should be integrated into poverty alleviation and community development programs and create conditions for people-centered, inclusive and equitable development and nation building.

Based on this importance of culture in the development process, it is clear that integration with other policies is a prerequisite for success. The challenge is to develop the methods and tools of cultural policy in such manner that the preservation and development of local cultures is part of the planned social progress. Furthermore, the elaboration should result in action programs that are well-founded, transparent and rational with clear and achievable goals, as a result of which the necessary political support and financial flows for the implementation of the development policy are released.

A precondition for a successful cultural policy is adapting outdated and the adoption of missing or new laws and regulations. These are areas such as intellectual property, the Internet, the electronic media, management and protection of cultural heritage including buildings. This should make it possible, to appreciate, preserve and protect the tangible and intangible cultural heritage. In this respect the following comes to mind: the media, art (such as theatres, museums, festivals, artists in the visual arts including fashion, design, new media and traditional art for example, graphic arts, painting, drawing, music, theatre and performing arts) and cultural education including cultural sciences. This will help to appreciate, accept and respect the diverse cultures of our country, which also lays the basis for nation-building.

Another precondition is research into and promotion of diverse cultural expressions, which is the foundation for increasing the production of tangible and intangible cultural products, professionalization and commercialization. Finally, the third prerequisite for a successful culture, is the integration with other policies, such as:

1. Education.
2. Health.
3. Sports.
4. Community development and poverty alleviation.
5. Tourism: notably the multi-ethnicity, nature, heritage and events, the medicinal herbs industry and eco-health tourism.

Based on the above outlined vision for the cultural sector, the development goal reads as follows:

**Stimulated by more and better media productions, educational and training activities as well as guidance and development opportunities, citizens experience their culture intensively, they appreciate cultures from their own country more, and professional cultural practitioners are better able to present and to sell their products on local, regional and international markets .**

The results of the policy are elaborated in results and action programs of the responsible ministries and institutes and are as follows:

1. A broadly supported cultural policy and planning increase the access of citizens to production, educational and training opportunities and guidance for cultural activities and opportunities for development in the field of art and perception of the own culture.
2. Cultural productions disseminated through electronic media also reflect the social, cultural and political environment and contribute actively to the development and preservation of Surinamese cultures and the education of the next generations.

3. Adjusted laws and regulations, facilitation and guidance, enable vectors of culture, including professional cultural practitioners to better present and sell their products on local, regional and international markets.

4. Public-Private Partnership of the Government and organizations of vectors of culture, strengthen, broaden and deepen "the Surinamese cultural product" for commercial and non-commercial purposes

### VIII.6. Safety of Citizens

Crime is a multidimensional issue just as the fight against crime, while the so-called cross-border crime adds to this a new dimension. Often the emphasis is on socio-economic causes such as poverty and unemployment. But other factors play a role, including cultural and political issues, which in certain situations play a significant role, which should not be underestimated.

Suriname has one of the lowest crime rates in the Caribbean region and this reflects a noticeable difference in levels of criminality as perceived by citizens. Table VIII.6.1 presents the available crime statistics of Suriname and comparable statistics for CARICOM countries. Given the "outliers" in the data sets, these must be interpreted with great caution until clarification is obtained about the completeness and reliability, but also how "definition issues" play a role in these data.

Especially, if we draw a comparison with extreme crime situations in some small societies of the Caribbean and Central America. In those countries, crime has become a major, perhaps the principal development challenge. It threatens the economic growth, education and the cultural development. In some cases, the dominant role of criminal gangs in the community, linked with an explosion of violence, has practically minimized the role of the State in many neighbourhoods and communities, and kick-started a flood of refugees. For what is left of safety, citizens are at the mercy of the parallel power structure of criminal organizations.

Table VIII.6.1: Number of reports to the police per crime category 2011-2015

Description	2011	2012	2013	2014	2015
Robbery	1214	1172	1203	1127	1206
Theft (common)	3713	4009	4653	3997	3612
Homicide	10	5	16	11	12
Murder	18	18	12	13	19

Source: Suriname Police Force, Criminal Information Service

Table VIII.6.2: Number of murders and homicide cases per 100,000 inhabitants and absolute in selected countries 2012 and 2014

Country	Year	Per 100,000 inhabitants	Absolute
Honduras	2014	84,6	5.936
El Salvador	2014	64,2	3.921
Jamaica	2012	36,1	1.033
The Bahamas	2012	29,8	111,0
Trinidad and Tobago	2012	25,9	351,0
Saint Lucia	2012	21,6	39,0

Dominican Republic	2014	17,4	181,0
Guyana	2012	17,0	135,0
Haiti	2012	10,2	1.033
Suriname	2014	4,3	24,0

Source: The United Nations Office on Drugs and Crime (UNODC); Eastern Caribbean 2015 crime and safety Report; Suriname Police Force

Table VIII.6.3 Number of robbery cases per 100,000 inhabitants and absolute in selected countries 2014

Land	Robberies in 2014	
	Per 100,000 inhabitants	Absolute
The Bahamas	252	
Saint Lucia	307	
Antigua	238	
Suriname	201.6	1127

Source: The United Nations Office on Drugs and Crime (UNODC); Eastern Caribbean 2015 crime and safety Report; Suriname Police Force

Suriname can learn several lessons from the experience of countries with a large crime problem. The main lesson is that the development of crime should not be underestimated and must be addressed at an early stage, based on selected indicators, before it becomes endemic, seemingly unsolvable problem. This requires continuous monitoring and analysis of the crime situation, so that the developments are also understood as social, cultural and even political challenges, so not only from a police point of view. As a result, the policy may follow a multi-dimensional approach with integral action programs, which simultaneously influence different areas. This understanding also takes into account the broad consensus, that in the past few decades, crime prevention programs have had little or limited success.

The following is often pointed out:

1. Sub-optimal performance of forces and institutions responsible for fighting crime:
  - a) inefficiency;
  - b) integration and ICT (missing / inadequate hardware and software);
  - c) inadequate coordination.
2. Insufficient capacity to develop the necessary statistical data systems, to conduct multidimensional analyses and base policy thereon.
3. Overcrowded and inadequate prison cells and inadequate mechanisms for reintegration of (juvenile) offenders.
4. Outdated legislation for investigation and prosecution.
5. An inadequate system for formulating and implementing an aliens policy, exacerbated by the borders of Suriname, which are difficult to guard.

Apart from crime, there are other aspects of the security of citizens such as fire safety, the safety and the operation of hazardous installations that can cause disasters. Also in these areas, the challenges

as in the above-mentioned points are not really different. Consequently, there is a great need for policy and programs of action, which will have great impact on various areas.

Based on the above outlined vision, the development goal for the safety of civilians reads as follows:

**Preventive measures based on a multidimensional approach, analysis and policy, more and better services from the institutions responsible for ensuring safety, protect the public more effectively and give the community a sense of increased security.**

The results of the policy are elaborated in results and action programs of ministries and institutions, and are the following:

1. Crime prevention is more successful, the housing of detainees and convicts has improved and there are lower rates of recidivism among specific target groups, especially young people.
2. More and better services from the institutes ensure the safety and protect the public more effectively and increase civic participation.
3. More and better statistics, research and analysis support a multidimensional analysis and approach to the crime.
4. IT has been optimally integrated into the planning, implementation and evaluation of institutions and their programs aimed at protecting the citizens increase their safety.
5. Laws and regulations relating to ensuring the safety of citizens by the relevant bodies have been adjusted to the prevailing conditions and expectations.
6. In collaboration with the international community, resilience of Suriname with regard to cross-border crime, terrorism and non-regular immigration has increased.

This development goal and the results the policy envisages, will be further developed in policies and action programs where integration with other policies and ministries is a major consideration. In these policies and action programs to be developed for the planning period 2017-2021, the following challenges will be solved:

1. The fight against crime with the emphasis on:
  - a) serious crime including in the interior;
  - b) organized crime, in particular the dismantling of criminal organizations, reducing the cross-border crime and drugs;
  - c) the reduction of the number of uncontrolled foreigners, the fight against human trafficking and smuggling;
  - d) the fight against maritime piracy;
  - e) juvenile delinquency
2. Increasing the quality of the police.
  - a) public camera surveillance;
  - b) improving the cooperation and coordination between the various police forces.
3. ICT equipment (hardware and software) of bodies involved in crime prevention.
4. Improving the care for delinquents.

5. Improving the care for (juvenile) delinquents and development of innovative rehabilitation programs.
6. Improving fire safety.

## **Chapter IX: Environmental Strategy**

### **IX.1. Environment and Development: “Think global, act local”**

In a broad sense, the environment can be taken as the surrounding (of the human-beings), which, in order to understand and study it, can be divided into three components: the atmosphere, the soil and the water. These components define each individual, but also their interaction, the existence of life on earth, so plants, animals and humans. It is clear that in this view, man and his economic, social and cultural behaviour are part of the environment. After all, man who is constantly trying to adapt his environment, the earth to his wishes and needs, is currently the main driver of climate change. This approach is reflected in the idea of "sustainable development" and fully integrated in the Sustainable Development Goals (SDG) of the United Nations. Placing the human-being above or beyond the environment, was (has been) from a practical, theoretical and ethical perspective, the basis for large-scale and long-term environmental damage on earth, which manifests itself in climate change and the so-called "sixth mass extinction" which now threaten the earth and life on earth. Another economy, social awareness and cultural change need to turn the tide. The point of departure that man is above or beyond the environment has therefore been abandoned as a point of departure for national and global progress.

Suriname is rich in natural resources and biodiversity and in the political, social and cultural systems in our country there are strong indications for the integration of an environmental agenda in the development strategy that largely conforms to the international environmental strategy and the action plan. In contrast, the need for ongoing, sustainable development of Suriname, will undoubtedly affect the environment. In this respect both national and international forces, policies and action programs, which in terms of their environmental content are sometimes conflicting, play a role. Moreover, there is still the issue of the harmonization of the Surinamese and the international goals and action programs. The diagram below summarizes this challenge.



**Diagram IX.1.1 National and International Goals and Action programs**

National	International
<b>1: Forest cover</b>	
Suriname is for the most part still covered with tropical rainforest. As a country, it still has pretty much space to use this forest for different purposes, even if it is based on international indicators and targets.	The forest cover in the world is annually reduced by 13 million hectares. Based on the CO <sub>2</sub> -levels in the atmosphere and the preservation of the biodiversity on earth, Suriname is one of the areas where one wants to minimize deforestation almost immediately and with priority.
<b>2: Nature reserves</b>	
Suriname has declared 13 percent of its surface as nature reserves <sup>47</sup> . Especially the Central Suriname Nature Reserve, which was established by State Decree in 1996, is relatively very large. Up to now, Suriname has not been able to satisfactorily manage and protect this reserve and exploit it in an economically sustainable manner.	It would be ideal to make Suriname and the Guyanas to one big reserve
<b>3: Biodiversity</b>	
In the protection of the biodiversity in Suriname, the mining sector is currently the main challenge. Also the imminent large farming activities can pose a significant challenge in the future. Suriname is looking at options to continue steadily with the development and diversification of the economy without significantly reducing the biodiversity.	It would be ideal to make Suriname and the Guyanas to one big reserve
<b>4: Water</b>	
According to Conservation International Suriname, the country has 228,000 cubic meters per capita renewable freshwater resources per year spread over freshwater swamps, seven major natural and rain-fed rivers with an average annual rainfall of 2200 mm.	Both the South-American countries and the islands in the Caribbean have for decades been faced with substantial shortages of surface water, which can be provided by Suriname in the future.
<b>5: Gas and oil</b>	
There is a very big chance that Suriname has large gas and off-shore oil reserves. Suriname has an interest in bringing these reserves as quickly as possible in production.	The global strategies to drastically reduce the CO <sub>2</sub> -emission, among other things aim at limiting the extraction and use of fossil fuels.
<b>6: Other minerals</b>	
Suriname is also rich in other minerals and the extraction thereof can further contribute to the development of the country.	The sustainable development strategies are rightfully very critical about mining, considering the effects thereof on the environment and the biodiversity. The environmental rules for mining have therefore become increasingly stricter.

Source: SPS

This overview survey should allow a strategic approach in which the global environmental agenda and Suriname's development priorities are integrated into a partnership with the slogan "think globally, act locally" being put into practice.

## IX.2. Points of departure Environmental Strategy

Since the mid-seventies in the last century, Suriname has indicated that it pursues sustainable development. The challenge to operationalize the principles of sustainable growth remains an unfulfilled ideal, not just for Suriname, but for all countries. Given the development challenges and the development phase of the country, the following development goal has been formulated for Suriname within the national environmental strategy:

<sup>47</sup> Forest covers about 93 % or 15 million ha of the total land area of which about 2 million ha or 13%, has the status of Protected Areas (4 Multiple-use Management Area, 1 nature park and 11 Nature Reserves)." Source: SBB/ACTO project Monitoring the Forest cover of the Amazon region.

**Adapted legislation and increased environmental awareness of the public, policy planners and decision-makers in the private and public sectors ensure the responsible use of nature and the resources it provides and promote planned environmental restoration.**

The following outcomes will be further elaborated in the policy in results and action programs of the relevant ministries and institutes:

1. Environmental legislation and the related national environmental strategy and follow-up programs influence and raise environmental awareness of the public, policy planners and decision-makers in the private and public sectors, with particular attention given to the issues of sea level rise, controlling and or preventing disasters and the nature reserves.
2. In acquiring their livelihoods and products for the market, citizens and businesses use the resources that nature provides responsibly, and the Government ensures this, where necessary with support from the international development partners.
3. Based on the Environmental Legislation, the related national environmental strategy, the Development Plan 2017-2021 and the district plan, citizens and businesses invest and work in accordance with their national and international obligations on the restoration of the environment damaged by their economic or other activities.
4. Suriname has integrated its sustainable development strategy into the regional and international environmental strategies and action programs and has developed the capacity to participate fully in the financing and monitoring programs.
5. Based on the Environmental Legislation and the National Environment Strategy, Suriname participates in regional and international programs for the management of the CO<sub>2</sub> levels in the atmosphere and to minimize the damage to Suriname's infrastructure and economy.

### **IX.3. Sea level rise**

For man, sea level rise is one of the major impacts of climate change. Although more detailed and accurate estimates of the impact of the rise in the sea level are needed, Suriname is recognized as one of the ten countries, most threatened by rising sea levels, if you observe the percentage of the population living in an area threatened by flooding. It is estimated that almost 73 percent of the population<sup>48</sup> is very vulnerable and will be directly affected by the rise in sea level by one meter "accelerated sea-level rise" (ASLR) (see figures below). The higher the sea level rise, the higher the impact proportionally. To enhance Suriname's resilience to the impacts of sea level rise, there are several options that need to be further developed into feasible programs and projects. The aim with the strategic approach of this phenomenon is as follows:

**The shores and coast are sustainable repaired and / or protected from the effects of sea level rise and banks of meandering rivers are protected.**

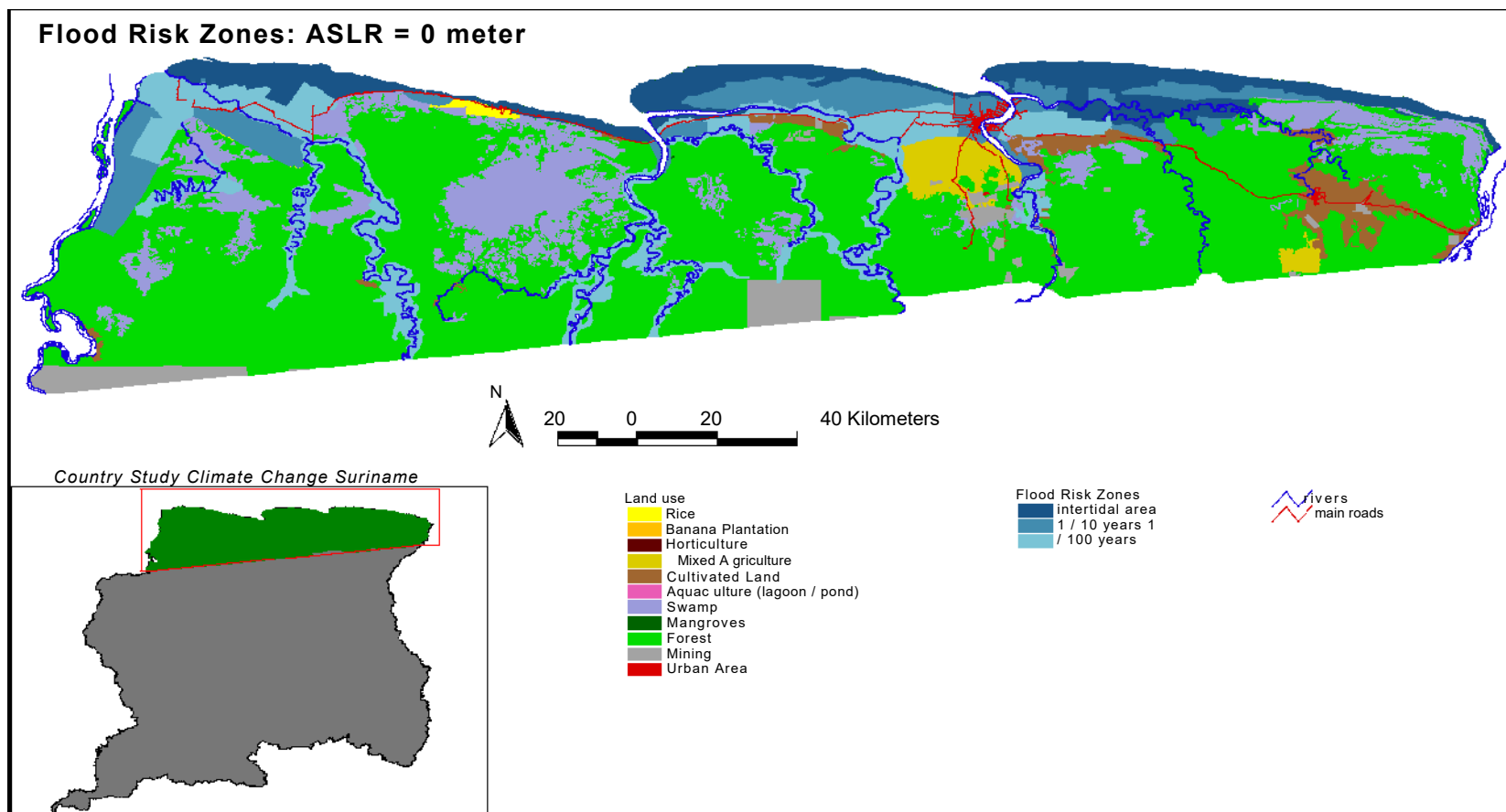
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<sup>48</sup> The impact of Sea Level Rise on Developing Countries: A Comparative Analysis; Susmita Dasgupta, et al, World Bank, 2007; <https://openknowledge.worldbank.org/bitstream/handle/10986/7174/wps4136.pdf>

The following outcomes will be further elaborated in the policy in results and action programs of the relevant ministries and institutions:

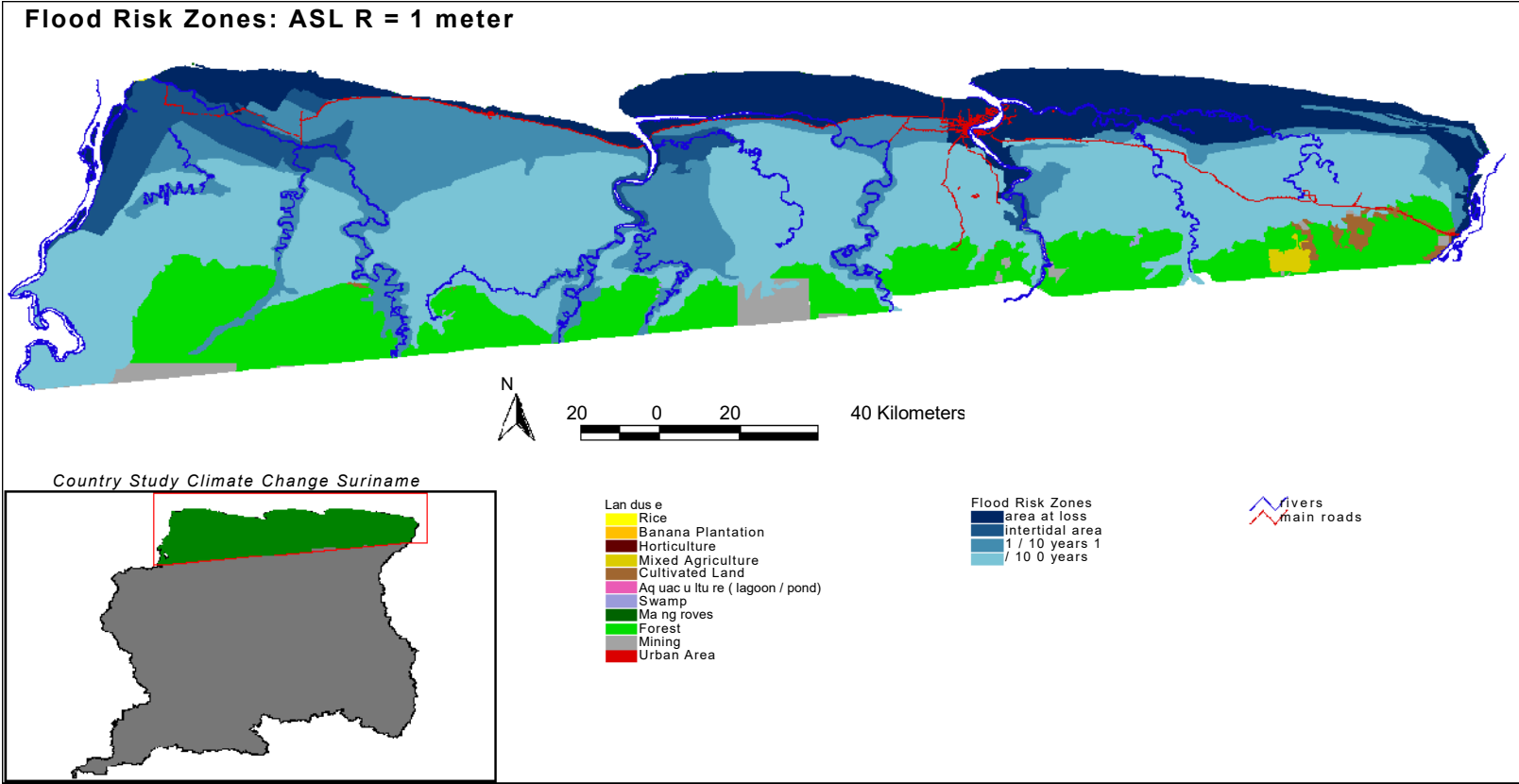
1. Stakeholders implement a long-term strategy jointly and with due observance of appropriate laws and regulations to minimize the consequences of sea level rise, damaging human activities or meandering rivers.
2. Especially in the most affected areas in the coastal plain, the natural riparian and coastal protection has been restored and riparian and coastal degradation is further limited by facilities against rising sea levels and harmful human activities that are included in the structural, regional and zoning plans.
3. The urban planning has developed the desired settlement patterns and integrated this into the long-term development as enshrined in the consensus document Suriname Vision 2035 and the Medium Term Development Plans.
4. Suriname's strategy and action programs make full use of the technical assistance and relief funds for mitigating the effects of climate change, including through close cooperation with the regional and international organizations that have mandate to that effect.

Graph IX.2.1 Situation without sea level rise



Source: Country Study Climate Change Suriname, 1999

Graph IX.2.2.2 Situation with sea level rise



Source: Country Study Climate Change Suriname, 1999

## **IX.4. Risk of Disasters Caused by Man or Nature**

The strategic approach of the potential threats to man and nature is based on the following categories: a) climate-related disasters (local storms, floods, droughts), others to the nature-related disasters, by the man-made disasters related to production, transport and storage of chemicals, explosives and radioactive materials, water, waste and the spread of contagious diseases and pests. Sea level rise is only one aspect of climate change. In the United Nations Framework Convention on Climate Change (UNFCCC) in 1992, climate change was defined as "a change of climate which is attributed directly or indirectly to human activity, which changes the composition of the global atmosphere and which is observed on top of the natural climate variability over comparable intervals of time." The negative effects of climate change are not limited to sea level rise, but affect all components of the environment: wind, precipitation and temperature. These three components of the climate can cause alone or jointly, disasters, but there are also natural disasters, such as earthquakes, infectious diseases and plagues, the risk of which must be assessed as adequately as possible. In accordance with the risk, plans for the prevention or mitigation of the impact are required. In addition, there is the risk of disasters that are directly or indirectly the result of human activity.

Internationally, the Sendai Framework for Disaster Risk Reduction<sup>49</sup> 2015-2030 is the platform for strategy and policy in terms of preventing and mitigating the impact of disasters. Suriname will develop a "disaster-risk reduction strategy" for the specific planning regions which, as regards the elementary stages and processes can be distinguished in the development, prevention and the response to disasters and will thus specify measures and provisions. It involves the following basic steps / processes:

1. Preparation and readiness:
  - a) Identification of risks (hazardous installations, anticipated recycling natural phenomena, early warning systems).
  - b) Anticipation, planning, preparation, and simulation of response.
2. National Coordination for Disaster Response:
  - a) Formal mandate and structure of information systems and organizational capacity.
  - b) Interested parties and networks for disaster response.
3. Rehabilitation and Reconstruction "to build back better": developing action programs based on research and anticipation.
4. Networking with the international and regional community for technical assistance and to secure funds for disaster response.

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<sup>49</sup> The Sendai Framework for Disaster Risk Reduction 2015-2030, was adopted at the Third UN World Conference in 2015. It is the product of preparations and consultations with stakeholders since 2012 and negotiations between governments that started in 2014 and were supported by the UN Office for Disaster Risk Reduction

### **IX.4.1. Production, Transport and Storage of Hazardous Substances**

Prior to the end of 2017 partly on the basis of existing laws and regulations, the existing institutions will conduct an inventory from the company plant that could be classified as "hazardous installations" because a wrong act or incident may cause a disaster. These hazardous substances include chemicals, toxins and gases, explosives and radioactive materials. It will also set up a mechanism on the basis of this inventory, which can monitor:

- the emission of harmful substances in the production process
- the transport and the storage of hazardous materials
- incidents in companies with hazardous installations
- the number of people that works with or at a workplace with a hazardous installation or lives so close to such installation that they may be directly impacted in case of a disaster.

A more structural approach to this disaster risk will be done, based on a situation analysis and risk assessment, which will constitute the basis for a strategy and action plan, amendments to legislation and regulations. Given the limited capacity of Suriname in this area, we will work with regional and international partners.

### **IX.4.2. Waste Management and Emission of Hazardous Substances**

Especially in urban areas the handling of waste is vital for humans and the environment. In this respect it is useful to distinguish the type of waste and where it comes from.

Both family households and companies produce tremendous amounts of waste and the processing is different, depending on the type of waste and the risk that it entails. Knowledge of the dangers, attitudes towards presenting, handling and processing of waste and the price that people are willing to pay, are driven by economic, social and cultural factors. Not only the physical aspects of waste will determine the policy in this area. Then there is the perspective from the environmental point of view: the different types of waste are particularly harmful to the environment, especially for people and animals and it thus also has an impact on biodiversity conservation.

Transport, the adaptation and the storage or processing of waste into energy or other products requires a multidimensional approach, which brings together the various aspects in a strategy and plan, which requires consent among different actors. This should ensure that they commit to the goals, their role in presenting, transporting, processing and storing waste and of course, not in the least the willingness to share costs and a change in behaviour.

Against this background, as part of the Development Plan 2017-2021, the strategy for waste handling will be thoroughly prepared and at the end of June 2018 a national plan for transport, processing and storage of waste will be submitted for approval.

## **IX.5. Integration of Environment, Social Progress and Economic growth**

### **IX.5.1. General**

The ideal of sustainable development is widely accepted in the world community and the adoption of the DOD in 2016 as a program of global policy and action, will bring achieving this goal closer. After all, especially small developing countries usually lack the political clout, the financial resources, the capacity and "policy space" to develop and implement a sustainable development strategy entirely on their own. At all levels, still fights have to be conducted to get accepted the DOD goals, policies and action programs. Anno 2016 some superpowers still doubt the reality of

climate change and threaten to withdraw from the Paris Convention. This shows that in the practice of formulating and implementing a sustainable development policy, small countries like Suriname still face major challenges. It is not only overcoming local obstacles, but most importantly clashing with superpowers, multinational companies and international financiers who have great influence on the rules of the game in the global economy.

Suriname wants to attract more and bigger investments or make these itself, to mitigate CO2 emissions and reduce other pollution, use energy and other resources more efficiently and minimize the loss of biodiversity and damage to the ecosystem. There is fairly wide consensus in Suriname on this approach, which is also called the "Green Economy" and "Greening the Economy". But since this is a broad development goal and given the limited options that have already been worked out and studied, the translation of general principle to operational policy and decision-making constitutes a big challenge. Intensive national and international networks are required in order to make steps forward with regard to:

1. promoting the execution of studies, working out and figure out options that are supportive of the decision-making on sustainable development strategies, leading to reduction in the dependence on the mineral sector and economic diversification among others in the services sector.
2. elaborating the development of operational guidelines or conducting comparative studies for decision-making on concrete options to make environmental impact of the development of the primary production, so agriculture, forestry and mining, less invasive and to redress environmental damage. Regarding the latter, the mined areas have highest priority in the environmental policy.
3. A strategy and action and financing plan for the nature reserves, parks and protected areas of Suriname. This set of strategic objectives and practical implementation must present solutions for the effective protection, the efficient management and the rise of responsible, sustainable, but income-generating activities in these areas, at least for the people who live and work there. This should already give a prospect of the options / opportunities that Suriname has in reducing the dependence on the mineral sector. In fact, the excellent management and the protection of the nature reserves and protected areas are central to environmental policy and these areas should be seen as an incubator for new concepts for sustainable development and a green economy.
4. The development of the strategic and medium-term plan for energy and electricity, as provided for in Article 8 of the Electricity Act 2016, the Electricity Sector Plan (ESP) in which the policy priorities for this planning period have been processed, including:
  - a) the transition to more efficient, cheaper and cleaner fuels, including gas and sunlight, for the generation of electricity for the households and the companies (including the production of alumina) and
  - b) greater efficiency in transportation and consumption of energy in households and businesses.

These four policy preparation activities are crucial to the decision on the adjustment of the existing development direction and / or alternative strategies. In the following subsections, the concerns as regards the environment are explained, which should be included in the policy preparation activities: forest management, land management, water management and biodiversity conservation.

### **IX.5.2. Forest Management**



The pristine natural forest (14.8 million hectares of tropical forest), which is largely still in the 'heart' of the State, will be divided into different categories, each with its own economic potential. The wood production forest (4.5 million ha) accounts for 30.4 percent of the total tropical forest. Of the production forest already 62 percent had already been issued in 2015. The integration of the national development planning and the regional planning should result in structure and zoning plans, which should facilitate the sustainable use and management of forests: strengthening regulatory and supervisory institutions and the involvement of the local population are key principles in this approach. This takes into account the old and well-known challenges, but also new issues related to the implementation plan in the next five years. These concern problems such as outdated and inadequate legislation and the policy around the issue of concessions. Under-utilization of issued timber concessions, rental / lease of concession to third parties means that many (large) concessions have come into the hands of foreigners. In some cases this results in serious damage to the environment through illegal and excessive logging. Another serious problem is the deforestation due to mining. On the other hand, there are many opportunities for a better and more sustainable forest use and management. Implementation of research and consultation programs will provide the data and networks that can be used to formulate a strategy and action plan for forestry management by the end of 2017.

Currently Suriname actively participates in REDD +. The program can play an important role in the activities that should be implemented to operationalize Suriname's sustainable development strategy. This international program focuses on the provision of technical assistance and through the application of innovative technology, analysis and reporting methods, as well as mobilizing financing.

### **IX.5.3. Land Management**

The previous paragraph has already shown that the current land degradation is largely a result of mining activities. A distinction must be made between: a) land degradation accumulated over a long period of time as a result of the bauxite production, with little or no recovery of the environmental damage, particularly the land degradation and b) the continuing impact of the current mining activities in the gold sector.

In the next planning period, Suriname will formulate a strategy and action plan for the limitation and restoration of land degradation based on research and consultations with stakeholders with the focus on mined areas. Regarding the large-scale agricultural activities, in keeping with the environmental legislation to be adopted, strategies will be developed with stakeholders to reduce land degradation. Crucial in this respect is agreeing on standards and mechanisms for monitoring, controlling and reporting.

The strategic goal within this context reads as follows:

**The mined areas and areas deforested for agriculture or livestock, have been identified and policy, standards and supervision techniques based on empirical data and analysis ensure an as good as possible recovery of environmental damage or minimize irreversible environmental damage and the destruction of ecosystems.**

The following outcomes will be further elaborated in the policy in results and action programs of the relevant ministries and institutions:

1. The core institutes conduct applied research in collaboration with the local communities in mined areas.
2. Responsible commercial and other stakeholders contribute to the reconstitution of mined areas based on goals for land use and restoration of environmental damage in local and regional plans.

The following outcomes will be further elaborated in the policy in results and action programs of the relevant ministries and institutions:

1. The core institutes conduct applied research in collaboration with the local communities in mined areas.
2. Responsible commercial and other stakeholders contribute to the reconstitution of mined areas based on goals for land use and restoration of environmental damage in local and regional plans.
3. Producers in agriculture and forestry, regulating and monitoring institutes as well as local communities work together to minimize environmental damage by complying with and promoting the environmental standards and other norms of responsible handling of the environment.

#### **IX.5.4. Water management**

Water is an important and valuable resource (raw material) and, in the future its value will increase. It is also one of the important resources of our country. A compelling standard for regional and zoning plans will be the protection of the quality of both soil and surface water. Therefore, the mapping of the existing, and the planning of new water resources is of utmost importance. The drainage of areas is a key issue of planning a liveable and healthy environment and partly from this perspective, in the development of regional and zoning plans, also the storage of water will become a standard component of all regional plans. Laws and regulations regarding the use and the extraction of water will be incorporated into the new planning legislation.

The pollution of Suriname's water resources is one of the most threatening issues in the development process: this relates to the pollution of waterways, such as rivers and creeks, often through illegal production activities such as gold mining.

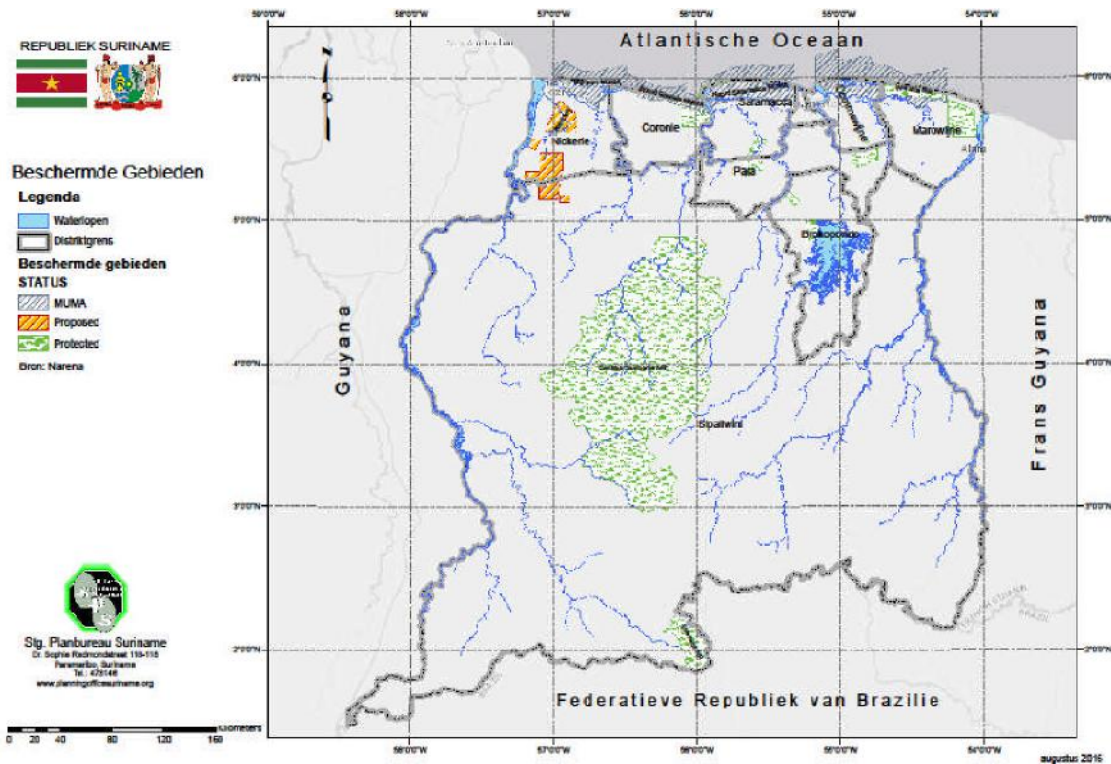
Unfortunately, the necessary data are not yet available to present a strategic plan and action plan for the management of water: this will be presented by mid-2018.

#### **IX.5.5. Preservation of Biodiversity**

By designating territory as a nature-park or protected area, Suriname has already made a great investment in the preservation of its biodiversity. Hence, in the environmental strategy, to protect and manage these areas is the highest priority for biodiversity preservation. This does not mean that the preservation of this would be unimportant outside these areas. This approach boils down to priorities and a pragmatic view of what is and is not possible. Given the limited capacity, Suriname cannot exercise effective control and supervision over the whole territory. This becomes clear when the main factors threatening Suriname's high biodiversity are taken into consideration:

- Mining, specifically gold mining;
- Forestry, in particular non-regulated logging;
- Both the legal and illegal hunting and fishing and trade in protected animals and
- the mechanical agriculture and the use of agrochemicals.

Graph IX.6.5.1 Overview of protected areas as per 2016



Source: Natural Resources and Environmental Assessment (NARENA), adaptation SPS

Building and strengthening the institutional capacity to fill research, regulatory and supervisory functions by conducting intensive management and protection programs in the nature reserves and protected areas, will protect the biodiversity. However, this accumulated capacity will be invaluable to efforts to fulfil these functions throughout the territory. Furthermore, these experiences will provide theoretical and practical insights to formulate and adopt a strategy and action plan in 2019, specifically aimed at protecting the biodiversity of Suriname. However, already now, based on knowledge and experience and the environmental strategy formulated in section IX.2, the following important aspects of the policy in this area are listed:

1. To adopt the key environmental legislation for more meaningful mandate and action to conserve biodiversity and to restrict disaster risk.
2. To promote, facilitate and support the sustainable use of the biodiversity.
3. To regulate the access to genetic material of Suriname as well as the traditional knowledge and at the same time promote, facilitate and support local employment, study and preservation of material and knowledge. These measures and action should also ensure that Indigenous and Maroons get a fair share of commercial and non-commercial benefits and revenues.

4. To prepare and adopt a multi-annual research and publication program around Suriname's biodiversity.
5. Institutional development in the "environmental sector", which also includes the promotion of social and environmentally responsible entrepreneurship.

## **Chapter X: Cross-Cutting Development Goals**

### **X.1. Gender policy**

The definition of gender can be placed within two frameworks; the biological and the social context. Within the biological context, gender is the classification of man on the basis of innate sex characteristics in male or female.

Gender<sup>50</sup> in social context refers to the social attributes and opportunities associated with males or females and the relationships between women and men and girls and boys as well as the relationships among women and among men. The attributes, opportunities and relationships are socially constructed and acquired by educational processes. They are contextual and temporal and changeable. Gender determines what is expected, allowed and valued by a female or male in a given context. In many societies there are differences and inequalities between women and men in responsibilities assigned, activities undertaken, access to and management of resources and decision-making capabilities. Gender is part of the broader socio-cultural context with the segments, class, race, poverty, ethnicity and age.

Sectoral and national development is created by mankind composed of males and females. It is therefore of great importance to study, analyze and address the issues, which may negatively affect the desired development. Gender discrimination and gender inequality are some social issues.

There is gender discrimination when the sexes are discriminated against as male or female, on the basis of their role, so that their rights, opportunities and resources are limited or completely withdrawn. Both nationally and internationally, the goal is therefore to aim at ensuring gender equality, inter alia reflected in equality between people of different sexes, equal appreciation for gender performance, equality in society and equal visibility, participation and empowerment of both women and men. The fifth<sup>51</sup> of the seventeen SDGs adopted by the UN states: "Achieve gender equality and empower all women and girls."

Gender equality<sup>52</sup> implies that women and men have the same conditions to fully realize their human rights and to contribute to and benefit from economic, social, cultural and political development. Gender equality is therefore the equal appreciation by the society for similarities and differences between men and women and the roles they play. It is based on women and men who are full partners in their families, neighbourhoods and society. Gender equality starts with equal valuation of girls and boys.

The strategic goal for the multidisciplinary policy area Gender Policy reads:

**Laws and regulations and policy principles of private and public organizations guarantee the right to personal safety and freedom of men and women and that the opportunities to realize their ideals and talents are not negatively affected by gender stereotypes.**

The following outcomes will be further elaborated in the policy in results and action programs of the relevant ministries and institutions:

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<sup>50</sup> <http://www.un.org/womenwatch/osagi/conceptsanddefinitions.htm>

<sup>51</sup> [www://sustainabledevelopment.un.org/sdgsproposal](http://www.sustainabledevelopment.un.org/sdgsproposal)

<sup>52</sup> ABC of Women Worker's Rights and Gender Equality, ILO, Geneva, 2000

1. Equal access to education and training for boys, girls, men and women.
2. Equal access to the labour market and the different professions, equal incomes, equal working conditions for women and men.
3. Thorough protection against domestic and sexual violence and harassment.
4. Equal treatment in health care for the sexes.
5. Equal participation of the sexes in decision-making bodies and positions.
6. Promotion of laws and regulations and policy which promotes and kick-starts gender equality and awareness about social progress and economic benefits envisaged with this.

The Gender Policy comes under the Ministry of Home Affairs and is formulated, coordinated and evaluated by the Bureau Gender Affairs<sup>53</sup> (BGA). Policy formulation and implementation are based on establishing partnerships, analyzing available data, drafting and modifying laws and regulations and the launching and raising of gender awareness. Problems in formulating and implementing the gender policy include:

- Insufficient capacity to develop, implement, monitor and to evaluate a gender strategy and policy. BGA lacks staff to make society in general and the schoolchildren in particular at a national level, aware of gender, education and human rights (female, male and child).
- Lack of statistical and other information, including qualitative data for specific policy formulation and for the adoption of problem-solving interventions. As a result of the increasing number of cases of domestic violence, in 2015 the Combating Domestic Violence Act was adopted, whereby a victim can apply for a protection order against a perpetrator.
- Under-reporting of cases of domestic violence and not applying for a protection order against domestic violence may also lead to an increase in the number of partner homicides.
- Little experience and the lack of gender integration processes, whereby in the stage of policy development, equality targets are added to all policy objectives in both the public and the private sector. Gender mainstreaming<sup>54</sup> is the assessment process of the implications for women and men of any planned action, including legislation, policies and programs in all areas.

## **X.2. Youngsters**

### **X.2.1. Definition**

The definition of the young population of a society, or "youth", is internationally and nationally the subject of ongoing discussion. No unambiguity is expected in the short term. This includes the distinction between children and young adults (teenagers) and in these two categories relevant subcategories. The underlying differences of opinion are on the one hand due to the many technical disciplines involved in this heterogeneous target group and on the other hand the differences in the focus of research, policy and executive programs pursued by relevant governmental and non-governmental organizations. Regardless of differences in theoretical or policy orientations, the result is always – in formal sense and operational level – a description of an age group:

*Young people, children and young adults, are people of a certain age, minimum and maximum age, who under the law are entitled to a certain level of protection or special treatment. In addition to this formal or legal basis there are social, cultural, religious and political weighty*

<sup>53</sup> Ministry of Home Affairs, Draft Budget 2017

<sup>54</sup> The United Nations Economic and Social Council (ECOSOC 1997/2)

*reasons to give this group a special place in policies and development programs. Without the protection and education of its youth a society cannot guarantee its own security: hence the economy, the social and cultural achievements are jeopardized. The formal and policy definition of youth is a prerequisite for the systematic operationalization of the development challenge to secure the next generation and to raise their standard of living.*

Taking into account the international standards in this area<sup>55</sup>, the regional<sup>56</sup> and national discussion<sup>57</sup>, the Surinamese law and the points of departure of the development strategy of the Development Plan 2017-2021 youth/youngsters is/are defined as all persons who have not yet attained the age of 30: so persons up to and including 29 years old. Two basic subgroups are distinguished:

1. Children<sup>58</sup>: persons who have not yet attained the age of 18 years. Reference is made to the Convention on the Rights of the Child and the current Surinamese law (see below Diagram of Relevant Subgroups of Youth.

2. Young adults (adolescent) persons in the age group 18 up to and including 29 years that go through the transition phase from dependent child to independent adulthood, bearing in mind that the members of the community are mutually dependent on each other.

Given these broad age categories, for the strategic planning, policy research, policy and action programs, it is essential to distinguish and define subcategories. These do not need to be invariable and uniform and it is also emphasized here that overlaps in practical and legal terms are inevitable. As common in international practice, the limits of age categories may be adjusted, subject to the nature of the target and the goals of the (policy) intervention. The illustration of this is the important category of "youth", which internationally, at least for statistical purposes, is standardized at 15 up to and including 24 years. However, it overlaps the two above-mentioned basic groups "children and adolescents".

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<sup>55</sup> These also include the standardized (statistical) MDG/SDG indicators or key indicators of the VN/UNI-CEF

<sup>56</sup> See among other things the CARICOM-document "Youth Development" and the Paramaribo Declaration of January 2010

<sup>57</sup> In this respect the "Integral policy plan for children and adolescents: The Action Program 2012-2016" (Presidential Working Group Integral Youth and Child Policy, March 2013) is inter alia referred to

<sup>58</sup> According to the International Convention on the Rights of the Child, a child is any person younger than 18 years old, unless the law of a specific country defines the ages for maturity otherwise. The international community encourages countries to follow this definition and to lay down the legislation accordingly

Diagram X.2.1 subcategories of youth (Source: SPS)

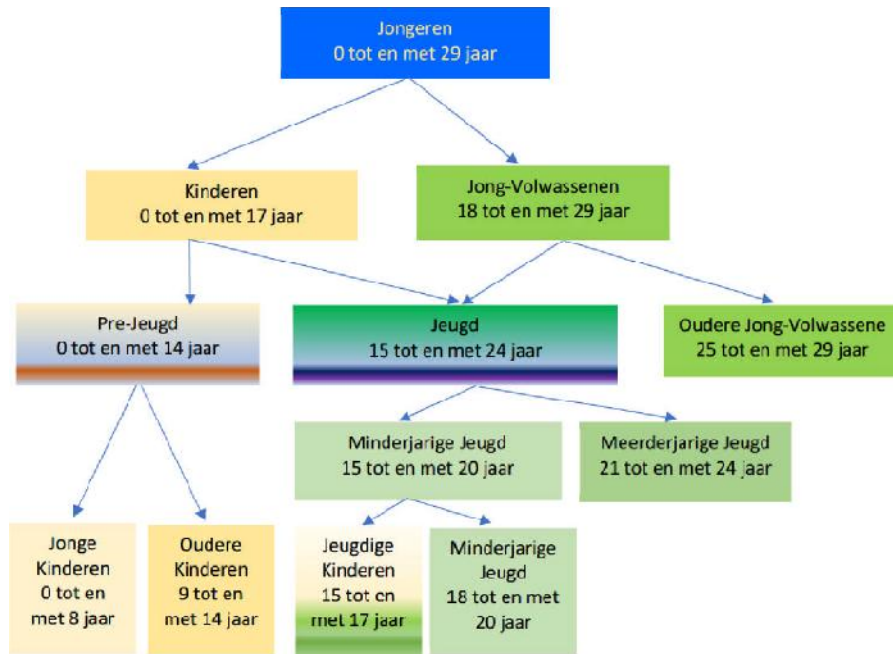


Diagram X.2.2: Overview of Relevant Subcategories of Youngsters

Children 0 up to and including 17 years											youngsters: young adults 18 up to and including 29													
Pre-youth 0 to 12 years						Youth 15 to 24															Older youth			
Young children Early childhood Development Absolute prohibition			Older children Prohibition on work through 14 years; for 15-17 years, prohibition on work otherwise than as component of education-on-the-job-training*)												Young adults 18 up to and including 29 years									
1.	2.		3.	4.	5.	6.			7.			8.					9.				10.			11.
Babies	infants		toddlers	Pre-schooler	School child	School child			Older School child			Minor young Adults				Young adults of age			Older youth					
<1	1<3	3<4	4<6	6<9	9<12	13<15			15<18			18<21				21<25			25<30					
		Pre-school kindergarten	infant school		Primary Education 2 <sup>nd</sup> phase	1. Secondary education (V01)	2. End compulsory school attendance	3. criminally prosecutable	4. Active suffrage NJP	1. labour age	2. Advance d Primary education (V01 and V05)	3. Active and passive suffrage NJP	4. Marriage able age	5. May have National ID-card (not compulsor	1. Advanced primary Education (V05) and Tertiary Education	2. Active compulsory national ID card	3. driver's license	4. Subject to military service	5. Not of age but authorized to effect certain legal acts	6. Legally authorized to enter into contract of employment independently	1. Of full legal capacity: legally of age	2. Passive Suffrage 21 years for the National Assembly	3. Marriage without parental permission	4. Age upper limit membership Youth Parliament
Development challenge:						Development challenge:						Development challenge:												
1. Ensuring the mental and physical health during this period of rapid growth						1. Ensuring the optimal mental and physical health during this period of rapid growth						1. Making the transition from dependent child to independent maturity and further development of the emotional intelligence and (social) life skills												
2. Laying the foundation for personal formation, motor, cognitive and emotional skills						2. Further formation of personality in the context of the social environment, emotional intelligence						2. The awareness of mutual dependence of the members of the community and corresponding behaviour												
3. In operational terms, achieving the core goals of primary education; national standards for motor and emotional skills						3. Further development of motor, cognitive and social skills						3. Successful transition from school to work; successful continuation of study and/or specialization												
						4. In operational terms: achieving the core (final) goals of primary and advanced primary education resulting in a basis for a life-long-learning and a successful entry into the labour market or participation in secondary education; demonstrating basic (social) skills; achieving national standards for motor and emotional skills																		

Source: SPS



### **X.2.2. Strategic approach**

Based on the definition formulated by the UN, youth<sup>59</sup> is a floating category instead of a fixed age group. The strategic development goals reads as follows:

**The target groups of youngsters distinguished in the policy are intensively protected by more effective legislation and special institutes and the reformed education, programs for sports, culture and community work, encourage and facilitate youngsters to develop their talents, self-respect, personality, creativity and their voice, which increases their development opportunities in the labour market and in life.**

The following outcomes will be further elaborated in the policy in results and action programs of the relevant ministries and institutes:

1. More effective legislation and experts from specialized institutes offer different target groups effective protection, care and counselling and special programs provide special facilities for vulnerable children and young adolescents who have been victims of neglect, molestation, violence or criminal behaviour.
2. The reformed education is better able to increase the learning achievements of the young people in our multicultural and multilingual society, and the great need for remedial education is prioritized, as a result of which arrears can be detected early and remedied.
3. Youth Programs for sports, culture and community work, encourage and facilitate young talents, and develop their self-esteem, personality and creativity.
4. Innovative active labour market programs for young people increase their opportunities in the labour market and reduce the time required for the transition from school to work.
5. Young people participate in the policy and programs that affect them directly or indirectly through formal or informal institutions.

The Ministry of Sports and Youth Affairs in collaboration with the Ministries of Education Science and Culture, Labour, Justice and Police, Social Affairs and Housing and Health is entrusted with the care of a coordinated and systematic youth policy, the promotion of the development and supervision of the youth outside schools.

### **X.2.3. Operational Programs and Projects**

In order to integrate the needs and interests of young people in the strategic development plans, research, policy formulation, monitoring and evaluation are necessary, building on work already done by, inter alia, the Presidential Commission for Integral Child and Youth Policy (2013). Involvement of the target groups across the policy process is critical, especially in the further development of:

1. An integrated approach of the child and youth problems, which should ultimately result in an analytical framework that identifies strategic problem areas for intervention and the mutual relations between those areas. After all, problems of young people may in fact not be separated

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<sup>59</sup> <http://www.un.org/es/socdev/d...ct-sheets/youth-definition.pdf>

from the problems of their parents or the community they live in: poverty, underemployment, child labour, education problems, domestic violence and serious shortcomings in policy and implementation capacity of especially the government machinery. Such an analytical framework that identifies the strategic policy areas is indispensable for the development of practical policy objectives and action programs in the cross-cutting approach.

2. Distinguishing and defining policy relevant subcategories of children and young adolescent: "Diagram of Relevant Subgroups of Children" on the next page can contribute to this. Consensus on the subcategories for policy purposes, will give the policy areas referred to in paragraph 1 more operational value. In addition, this is necessary since the age category "youth" is so diverse and versatile, from infants to older youths (25-29 years), that it is unworkable for policy and action programs.

In addition to this need for an analytical framework for the problem and policy areas that also define relevant sub-age-categories, the area of policy formulation and development of integrated action programs for young people, is faced with the following challenges:

1. Differentiating target groups requiring special strategies and development outcomes should be formulated and profiles, which can become focus of intervention and thus the basis of operational programs.

2. The development of integrated (standard) products to children and young people who have a higher return because:

a) Support, money transfers for children, services and participation are no longer provided as isolated measures by separate entities but in relation to each other, in a certain (social) setting. As a result, the impact of the larger intervention is bigger.

b) The challenge is to plan the response to needs, the realization of rights and increasing development opportunities for children and young people in terms of feasible operational programs, taking into account the available capacities of existing and new institutes: so people, facilities and financial resources. In this respect settings including education, employment or the employment projects, health care organizations, community organizations (community work), sport and poverty alleviation should be taken into consideration.

3. Marking out a path for institutional development and legislation in the interests of young people as part of the Suriname Vision 2035. The development involves reaching consensus on the long-term development goals for young people and what urgent institutional and legislative changes are needed. Institutional change is especially taken into consideration, which must prevent exclusion of certain groups of young people and promote their empowerment.

4. The development of cultural programs, which can strengthen the "self-esteem" and the "resilience" of young people and the integration of such programs in local projects and action programs.

5. Economic diversification creates jobs and stimulates self-motivation for the target group.

The Integrated Child and Adolescent Policy (IKA policy) ensures young people in our country (0-30 years) optimal development opportunities and protection so that they can grow into competent adults who participate adequately in an increasingly globalized world.

The integrated policy for children and adolescents, the Action Plan 2012-2016, focuses among others on the following policy dimensions:

1. Protection of vulnerable children; combating violence and abuse.
2. Capacity development at different institutes to identify, prevent and remedy developmental delays.

In this planning period we will be working with all stakeholders on the development and operationalization of the 'cross-cutting' nature of Suriname's development strategy for youth. Through a Youth Congress the further elaboration of the said policy dimensions will be developed into strategies in 2018.

## **Chapter XI: Financing of the Development Plan 2017-2021 XI.1. Points of departure**

### **XI.1.1. How have development efforts been financed up to now?**

Until the first half of the eighties of the last century, donations from Dutch Aid Allocation Suriname (NHAS) were almost the sole source of funding (development) investments: other sources and countries were practically negligible. In fact, this funding was institutionalized in political and administrative systems, the planning and policy formation process and the taxation system. In addition, the annual remittances which ranged between \$ 150 to 200 million, had become essential for the monetary stability. Although historically explainable and for political parties an accommodating arrangement, it was inherently conflicting and the two countries have unsuccessfully struggled with the consistent economic and strategic, political and process-related challenges. Meanwhile, the development relationship with the Netherlands, particularly in practical terms, has ended and is only increasingly a subject for historians. However, in the discussion about a (new) strategy to finance the development investments, some remember with melancholy the period of "great gifts". When developing a new financing strategy, it is important to summarize the facts related to the NHAS:

After the peak of 1980-1982, the size of NHAS spending was an annual average of USD 29 million with a peak of USD 52 million in 1992.

a. In 2010 the funds agreed upon in 1975 were (almost) completely depleted. As a result, the relationship between the two countries in fact came to an end, while parties, in anticipation of this, had neither formally nor practically prepared a new agreement as part of the Multi-Annual Development Programme 2006-2010, or accounted for:

- The special relationship between Suriname and the Netherlands and how to substantiate this in a development cooperation relationship;
- The more advanced development of Suriname as an independent State, its integration into the world, the Caribbean and the South American region, as well as the new insights and options for financing of its development;
- The changed international climate, the strategies, processes and money flows in the development cooperation;

- The profound changes in Dutch development cooperation policy in areas such as the functional institutes, facilities, standards, procedures and financial flows.

Meanwhile, Suriname and the Netherlands have outgrown each other in the development cooperation relationship. The need to achieve a better distribution and management of the funding sources, is the argument to develop a solid financing strategy for the Development Plan 2017-2021. Below we will elaborate on this strategy.

### **XI.1.2. International Development cooperation: Standard Financing Sources**

In the past fifteen years development cooperation has significantly changed in the world. In the period 2003-2014 the net funds provided by the Development Assistant Committee (DAC)<sup>60</sup> - countries of the OECD to developing countries increased, and this from USD 145.8 billion to USD 577 billion (see Table X1.1.2.1) . This is a growth of about 300 per cent in ten years, while the funds provided in 2014 accounted for about 1.2 per cent of the GNI of the donor countries. In 2009-2014, the majority of funds (approximately 60 percent) was provided to developing countries in Africa and Asia, while the percentage in favour of the American developing countries averaged 11 percent.

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<sup>60</sup> The DAC countries include: Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Japan, Korea, Luxembourg, Netherlands, New Zealand, Norway, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, Switzerland, England, the USA and the EU.

Table XI.1.2.1 Net funds of the DAC-countries to developing countries 2003-2014 (billion USD)

<b>Nett withdrawals</b>	<b>2003-2004</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
I. "Official Development Assistance" (ODA) (A + B)	<b>74.9</b>	<b>135.0</b>	<b>126.9</b>	<b>134.8</b>	<b>137.2</b>
<b>ODA in percentage of the GNI of the countries</b>	<b>0.2</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>
A. Bilateral ODA	52.4	94.8	88.4	93.5	94.7
B. Contribution to Multilateral Institutes	22.4	40.2	38.5	41.3	42.6
II. Nett flows of other Official funds (C + D)	<b>-2.9</b>	<b>7.3</b>	<b>9.8</b>	<b>7.0</b>	<b>4.6</b>
C. Other Bilateral Funds (1 + 2)	-2.9	7.6	10.7	7.0	4.7
1. Official export credits	-2.1	2.4	3.8	2.8	2.7
2. Shares and other bilateral assets	-0.8	5.2	6.9	4.2	2.0
D. Multilateral Institutes	0.0	-0.3	-0.9	0.0	-0.1
III. Donations of Private "Voluntary Agencies"	<b>10.8</b>	<b>34.8</b>	<b>35.4</b>	<b>34.2</b>	<b>32.2</b>
IV. Private Funds base don long-term market conditions	<b>63.0</b>	<b>327.5</b>	<b>307.0</b>	<b>275.0</b>	<b>402.9</b>
1. Direct investments	65.2	220.5	205.5	166.2	189.6
2. Private export credits	4.4	10.6	9.1	15.9	3.3
3. Bilateral portfolio investments	-4.9	105.7	93.3	84.6	207.0
4. Securities of multilateral institutes	-1.8	-9.3	-0.9	8.3	3.0
<b>V. Total net funds provided</b>	<b>145.8</b>	<b>504.6</b>	<b>479.0</b>	<b>451.1</b>	<b>577.0</b>
<b>Total net funds provided in percentage of the GNI of the countries</b>	<b>0.5</b>	<b>1.1</b>	<b>1.1</b>	<b>1.0</b>	<b>1.2</b>

Source: OECD

The composition of funds provided to developing countries has changed significantly in this period. In 2003-2004, 52 percent of the funds consisted of development assistance (ODA), but in 2014 this proportion was only 24 percent (see table X1.1.2.2). The share of development assistance accounts for about 0.3 percent of the GNI of the donor countries and is still below the internationally agreed share of 0.7 percent.

Capital supply of the DAC countries to developing countries now concerns mostly private capital flows at long-term market conditions in particular: direct investments, export credits, bilateral portfolio investments<sup>61</sup> and participation in securities of multilateral institutes<sup>62</sup>. The share of capital inflows from private funds increased in 2003-2004 from 43 to 70 percent in 2014.

The conclusion is that although development aid - both bilateral, multilateral and private grants and concessional loans - in absolute terms has increased in recent years, this increases less strongly compared to private capital flows.

The requirements in recruiting grants and concessional funds by the developing countries are very high and the utilization thereof is closely monitored by the donor countries and multilateral institutions. The designated use of the funds is also slowly shifting. In 2013-2014, the share of humanitarian aid was doubled compared to 1993-1994 as a result of the refugee problem in the world, while the share of commodity aid and technical assistance had decreased significantly. A large part of the funds (47 per cent in 1993-1994 and 56 percent in 2013-2014) is still being spent on the social, administrative and economic infrastructure in the countries (see table X1.1.2.3).

<sup>61</sup> Bilateral portfolio investments are investments in stocks, bonds and other investments that are not of a direct investment nature.

<sup>62</sup> It is believed that by investing in or providing funds to multilateral institutions, this ultimately benefits the developing countries

Table X1.1.2.2 Share various components in Total Nett provided Funds of the DAC-countries to the Developing Countries 2003-2014 (in percentages)

	2003-2004	2011	2012	2013	2014
"Official Development Assistance" (ODA)	52	27	27	30	24
Nett flows of other Official Grants	-2	1	2	2	1
Grants by Private "Voluntary Agencies"	7	7	7	8	5
Private Funds based on long-term market conditions	43	65	64	61	70
<b>Total net funds provided</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: OECD, adaptation SPS

It is now internationally agreed that the emphasis in the provision of funds, including development aid and environmental funds, should be placed on spending, which guarantees sustainable development in the designated countries. The concessional funds should go to countries where the need, in view of their investment and level of development, is greatest. The effectiveness of development cooperation should be increased, whereby fragmentation of provided funds is increasingly reduced by various donors. An improvement should come in the cooperation and coordination of funds allocated by donor countries. Countries should have the opportunity to spend the funds on their development strategy as outlined by them to achieve sustainable development.

Table X1.1.2.3 Deployment Development Aid of DAC-countries in percentage

	1993-1994	2013-2014
Social and administrative infrastructure	27	37
Economic infrastructure	20	19
Agriculture	7	5
Industry	4	2
Commodities aid and technical assistance	10	3
Humanitarian help	5	11
Other spending	27	23
<b>Total</b>	<b>100</b>	<b>100</b>

Source: OECD

## XI.2. Financing Strategy

### XI.2.1. Scope of the Investment effort

In the Development Plan 2017-2021, the borrowing requirement has been determined using two methods: a) **Projections** using the computational models of the SPS, which indicate the investment requirement based on the GDP growth target or b) **Aggregation of the program and project budgets** of i) the public sector (line ministries and similar government institutions) and ii) the private investment (businesses and households). Since the information about the planned private investment is very poor, this parameter is estimated. It is a so-called residue, the difference between the total and public investment. For the three growth projections presented in Section I.4, the total investments are indicated in Table XI.2.1.1. These projections refer to the sum of all investments of the private sector (businesses and households) and the public sector, including the so-called stock movements. This table clearly shows that each of these projections require a different level of development investment: lower GDP growth target understandably requires a lower investment volume.

**Table XI.2.1.1 Macro Economic Projection for Investments\* for Development Plan 2017-2021 (billion USD)**

Baseline	7.6
Desired growth projection	9.7
Pessimistic growth projection	6.4

\* This is the sum of the investments of public and private (businesses and households) organizations / individuals and starting from achieving a GDP per capita of USD 8,500 in 2021 (desired growth projection)

Source: Surya-model and GDP- calculation model, SPS

The other method for indicating the borrowing requirement, aggregation estimated cost of proposed policy program and project budgets, yields for the public sector the estimates presented in Table XI.2.1.2 In this respect the programs and projects were used, which a ) are included in the draft budget for 2017 (Annual Plan 2017) and b) the inventory of planned programs and projects of line ministries and government institutions under their responsibility that have been offered / must be offered to be financed by external financiers.

Table XI.2.1.2 Estimated Public Development Investments in the period 2017-2021

Code	Four development pillars and functional areas	Sources for the Development financing in the planning period 2017-2021					
		Total		Government revenues*		Foreign sources**	
		Mln USD	%	Mln USD	%	Mln USD	%
<b>1.0</b>	<b>Increasing the development capacity, including:</b>	<b>2,308</b>	<b>32</b>	<b>564</b>	<b>14</b>	<b>1,745</b>	<b>55</b>
11	Infrastructure, Energy/Water, transport and communication	1,987	27	324	8	1,664	52
12	Human capital, Knowledge sector, Entrepreneurship, Institutional Development including Reform Government	212	3	141	3	72	2
13	Machinery	108	1	99	2	9	0
20	Economic Growth and Diversification	410	6	47	1	363	11
<b>30</b>	<b>Social Progress based solidarity</b>	<b>2,631</b>	<b>36</b>	<b>1,871</b>	<b>46</b>	<b>760</b>	<b>24</b>
31	Reducing Institutional Inequality	557	8	394	10	163	5
32	Strengthening Social Protection Mechanisms	613	8	411	10	202	6
33	Other, incl. Education and Health Care	1,461	20	1,066	26	395	12
	<b>Environment: Protection and Sustainable Use of the Environment</b>						
<b>40</b>	<b>Environment</b>	<b>45</b>	<b>1</b>	<b>43</b>	<b>1</b>	<b>2</b>	<b>0</b>
40	Environmental strategy	45	1	43	1	2	0
<b>50</b>	<b>Cross-cutting issues</b>	<b>1,888</b>	<b>26</b>	<b>1,586</b>	<b>39</b>	<b>302</b>	<b>10</b>
51	General Strategic issues	1,491	20	1,491	36	0	0
52	Regional Development	373	5	75	2	298	9
53	Integration of Gender issues	4	0	0	0	3	0
54	Integration of Youth issues	20	0	20	0	-	-
<b>60</b>	<b>Financing of the Development Investments</b>	-	-	-	-	-	-
<b>70</b>	<b>Implementation, Monitoring and Evaluation</b>	-	-	-	-	-	-
	<b>Total</b>	<b>7,282</b>	<b>100</b>	<b>4,110</b>	<b>100</b>	<b>3,172</b>	<b>100</b>

Source: SPS

\* This concerns the regular or current income of the Government

\*\* These are all sources for the funding of the research effort which includes grants and loans from the development partners as well as commercial loans

From XI.2.1.2 table it becomes evident that during the planning period, the projected public investment may be rounded to USD 7.3 billion while in the baseline the total public and private investment in the economy is estimated at USD 8.1 billion. Hence, in the baseline, the public investment would amount to over 90 percent of the total investment, which can be called a policy challenge. It should be noted that this discrepancy is a reflection of the differences between the

estimates in the budget of the government revenue and expenditure and the estimates and projections made by the Planning Board with the calculation models used.

Since the share of the public investment program constitutes such a major part of the total public and private investments for this planning period, the Planning Bureau developed a policy called simulation, which is presented in the table. Following the decision to work out three growth projections for the Development Plan 2017-2021, in this policy simulation a selection was made from the total of the identified programs and projects based on:

- a. The initial situation analysis of the relevant policy area, the Development Plan, the development goals and outcomes as formulated for this planning period.
- b. The likelihood of successful completion of the project in 2017 or 2018 in which the chances of securing, so raising financing, is an important factor.
- c. The implementation capacity.
- d. Increasing the chances of private initiative to invest. It is assumed that the selected programs or projects will be offered to the private sector for investment opportunities by shifting them to a collection of private sector programs / projects for which incentives are offered and which should be promoted.

The external / foreign funding to be mobilized by the Government will be reduced from USD 3,172 million to USD 1,652 million. In this simulation, the development investments to be financed directly from the state budget would drop from SRD 30.8 billion (USD 4.1 billion) to SRD 28.7 billion (USD 3.5 billion). The computer centre of the Planning Bureau will further figure out this policy simulation in a macroeconomic manner, to determine whether and which (other) macro-economic benefits can be achieved with such an approach.

#### **XI.2.2. Investment Strategy and Action Plan Development Plan 2017- 2021**

As recommended by the international development partners, Suriname will prepare a balanced funding strategy and action plan for the financing of the Development Plan 2017-2021. This is based on the four basic sources:

1. Surinamese funds:
  - a) Government revenue or savings and
  - b) private incomes or savings.
2. International Funds
  - a) public funds: funds from public multilateral organizations or funds made available by friendly countries and
  - b) Foreign Direct Investment (FDI / FDI) or funds from international non-profit organisations.

From table 18 in the Statistical Annex it is clear that since the beginning of this millennium, Suriname has increasingly funded the development investments from the current budget, so government revenues. Especially after the substantial increase in the government revenue from the mineral sector, this resulted in a significant increase of the public investment, which also increased the GDP growth. In addition to these local government investments, especially development investments in the infrastructure were financed from bilateral relations with friendly countries: donations, credit lines and other credit facilities. As the development investments in production, social and physical infrastructure rose and the income levels fell, the shortcomings of this spontaneous strategy became clear to everyone. Mainly relying on a single source for financing the



development entails great risks. So in addition to the recommendations of the international organizations, the lessons that Suriname has learned from the past decades of development financing, teach us that a well-thought-financing strategy must be outlined for the Development Plan 2017-2021, which

**identifies the possible and probable funding sources and by type of development goal and plan outcome, spreads the mobilization of funds as well as possible over Surinamese public and private sources or international public or private sources.**

In the table XI.2.2.1 the development outcomes have been divided by detailed financing source for the Development Plan 2017-2021. As part of the financing for the development funding strategy of the Development Plan, an estimate will be made of the size of the funds that may be potentially available for development projects of Suriname.

Table XI.2.1.3 Simulation of Public Development Investments in the period 2017-2021

	Sources for the Development financing in the planning period 2017-2021									
	Total		Government funding				Private Investments*			
	Mln USD	%	Gov. revenues		Foreign sources		From the Gov. budget		To FDI or foreign sources	
			Mln USD	%	Mln USD	%	Mln USD	%	Mln USD	%
<b>Four development pillars and functional areas</b>										
<b>Increasing the development capacity, including:</b>	2,305	33	367	15	686	56	194	65	1,058	72
Infrastructure, Energy/Water, transport and communication	1,987	29	211	8	606	53	113	38	1,058	72
Human capital, knowledge sector, Entrepreneurship,	211	3	60	4	72	2	80	27	-	-
Institutional Development including Reform Gov. machinery	106	2	96	3	9	0	1	0	-	-
Economic Growth and Diversification	410	6	10	1	8	12	37	12	355	24
Social Progress based solidarity	2,328	34	1,543	42	728	23	58	19	-	-
Reducing Institutional Inequality	504	7	341	9	163	5	-	-	-	-
Strengthening Social Protection Mechanisms	600	9	396	10	202	6	2	1	-	-
Other, incl. Education and Health Care	1,224	18	805	23	363	12	55	19	-	-
Environment: Protection and Sustainable Use of the environment	43	1	37	1	2	0	4	1	-	-
Environmental strategy	43	1	37	1	2	0	4	1	-	-
Cross-cutting issues	1,854	27	1,569	41	227	9	6	2	51	3
General Strategic issues	1,491	21	1,491	39	0	0	0	0	-	-
Regional Development	351	5	67	2	227	9	6	2	51	3
Integration of Gender issues	1	0	0	0	0	0	-	-	-	-
Integration of Youth issues	11	0	11	0	-	-	-	-	-	-
Financing of the Development Investments	-	-	-	-	-	-	-	-	-	-
Implementation, Monitoring and Evaluation	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>6,941</b>	<b>100</b>	<b>3,525</b>	<b>100</b>	<b>1,652</b>	<b>100</b>	<b>299</b>	<b>100</b>	<b>1,465</b>	<b>100</b>

Source: SPS

\* This concerns the regular or current income of the Government

\*\* These are all sources for the funding of the research effort, which includes grants and loans from the development partners as well as commercial loans

Based on the above, the following goals have been formulated for this investment strategy:

**For the financing of the planned development as laid down in Suriname's Vision 2035 and the Development Plan 2017-2021, there is a financing strategy and program, which the institutions responsible for the implementation use in making concrete and promoting the investment needs of Suriname, in order to maximize the chances that the funds are made available from bilateral and multilateral funds, and to achieve the greatest benefit for Suriname from the transparent selection of private investors.**

The following outcomes will be further developed in the policy in results and action programs of the relevant ministries and institutions:

1. In keeping with the Development Plan 2017-2021 and Suriname's Vision 2035, there is a funding strategy and program for the financing of the planned development, which identifies for all development outcomes the most appropriate funding source and per source the estimated size of funds available for Suriname.
2. Institutes in charge of the implementation of the financing strategy and program implement a coordinated program of action to promote the need for investment (development outcomes) of Suriname.
3. For the financing of specific projects or programs set out in the Development Plan 2017-2021, Suriname and Surinamese organizations enter into agreements with bilateral partners and multilateral organizations and institutions.

The selection of private investors for projects or programs that are defined in the Development Plan 2017-2021 and for which Suriname has mobilized national, regional or international candidates is transparent and therefore makes a significant contribution to the growth of the Surinamese economy.

### **XI.3. Mechanisms and Institutions**

The institutional framework for the development funding in Suriname has not been structured or strengthened in the past few decades, based on a strategic and detailed technical conception for optimal results and transparency. Rather, the existing device is fragmented and increasingly weakened as a result of spontaneous (short term) decisions and other more political and administrative than technical planning considerations. The main requirements to be set with respect to the institutional framework for development funding are:

1. Managing the money flows in such manner that all steps in the phases of the PCM are completed as efficiently and optimally as possible:
  - a. The deployments are done on the basis of the procedures required, so that there is adequate reporting, especially to the donors;
  - b. the funds are made available in time and spent on the expenses for which they are intended.
2. Identification of funding sources and the successful mobilization of funds for specific projects, inter alia by linking programs and projects to the most appropriate source of funding.
3. Maintaining the functional relationships with interest groups and organizations that play a role in the PCM.

It is clear that no single organization can implement or coordinate development finance. Upon the implementation of the public investment program, the line ministries play a role and especially the ministerial planning units to be set up in this planning period. However, with the development

finance with funds from external (international) sources, there are several reasons why the (re)establishment of a national institute with the role of "national ordonnateur" in conjunction with the ministerial planning units, can substantially increase the success rate of programs / projects (see also section IV.1.2).

## **Chapter XII: Implementation Strategy, Monitoring and Evaluation**

### **XII.1. Challenges**

A common opinion is that in the past few decades, strategies and plans set out in the Medium Term Plan (MTP) were not implemented: most of the time there is no link between the strategies and planning on the one hand, and policy and action programs on the other hand. More than the previous MTP, the implementation of the Development Plan 2017-2021 will be faced with a sharply dropped development capacity<sup>63</sup> of the government organization to:

1. work out strategic options, make decisions thereon and elaborate plans.
2. work out policy and action programs into measures and projects and to implement these according to a priorly set timeline.
3. monitor and evaluate the implementation of plans.

In fact, there is "involution" of the government machinery, which is palpable in these critical areas. The key environmental factors that have caused this decline, include the series of deep economic crises which crippled the machinery, unresolved chronic problems and inadequate application of the principles of sustainable good governance. The implementation of the Development Plan 2017-2021 will among other things be faced with these challenges in strategy and objectives to strengthen the development capacity in this area. In this respect the planning and implementation aspects of the Development Plan 2017-2021 will be specifically, so in a narrow sense, examined as a "plan".

### **XII.2. Implementation strategy**

#### **XII.2.1. Implementation capacity and Institutional Issues**

The implementation strategy for the Development Plan 2017-2021 is based on the reality that recovery and enlargement of the implementation capacity will take years, since the building of human capacity, information systems, development of key institutions and institutes, Legislation and Public Private Partnerships are no short-term goals. Accordingly, the sustainable increase of the development and implementation capacity of the government machinery is seen in the context of institutional development (see also chapter IV). This involves increasing the development capacity more specifically a) Public Sector Reform, b) the reform of the National Planning Machinery, c) the strengthening of the knowledge sector and d) Public and Private Partnerships. In this development process, the goals for the next planning period of five years, are distinguished into three phases in the diagram below.

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<sup>63</sup> See also paragraph IV.1.2

Diagram XII.2.1.1 Three phases of the Development process

	<b>What</b>	<b>How</b>	<b>Most important action</b>
1 <sup>st</sup> Phase 2017	The start-up or transition phase: Goals: urgent tasks, building human capital, research, study, consensus, laying the foundation for adequate formulation of policy programs, measures, projects preparation of legislation and formal Decision-making and securing funding	Temporary provisions based on old institutional setting (legislation) which is pragmatically implemented based on consensus and “awareness building” about development goals and outcomes but not yet about the results (outputs), activities and costs and investments	<ol style="list-style-type: none"> <li>1. Operationalizing the Planning Act and strengthening the Planning Bureau</li> <li>2. Establishing ministerial planning units among other things in charge of policy and project development and M&amp;E</li> <li>3. Urgency program to build and maintain expert and highly specialized executives</li> <li>4. Integration of these measures with ICT-development (e-government)</li> <li>5. Entering into partnerships with the “international development partners” to realize these transformations</li> </ol>
2 <sup>nd</sup> phase: 2018-19	<b>The most essential institutional Reforms become operational:</b> Adoption of legislation, new systems, procedures and institutes become operational, projects that sustainably increase the institutional capacity have started and the available expertise (specialism) has increased noticeably.	Strengthened and new procedures and institutes based on adjusted laws and regulations, formulation and management of development programs and projects on the basis of the Project cycle Management (PCM) of the Government and adjustment partly based on the M&E-system that is operational.	<ol style="list-style-type: none"> <li>1. Adoption of the new Planning Act</li> <li>2. Operationalization of the procedures,</li> <li>3. Institutes and networks of the new Planning Act. M&amp;E-reports become available as laid down by Law.</li> <li>4. Adoption and start with the implementation of Public Sector Reform about which multipartite consensus has been reached</li> <li>5. Adjustment of policy and action programs as provided in the Development Plan 2017-2021</li> <li>6. Integration of these measures with ICT-development (e-government)</li> </ol>
3 <sup>rd</sup> phase: 2020-21	The 3 <sup>rd</sup> implementation phase:	Further expansion of the development capacity of the Government, NGOs and the commercial sector	

Source: SPS

## XII.2.2. Decentralization and Reduction of Government Dominance

The development of Suriname is not simply the responsibility of the government alone, but a joint task of the State and all its citizens and the organizations and companies in which they participate. Institutionalizing this approach is a fundamental point of departure in the development strategy. Unfortunately, the reality of the development planning and implementation is still quite far from this ideal. Key element of the implementation strategy of the Development Plan 2017-2021 is the launching of participation of stakeholders in the policy formation and implementation. The adoption of a new Planning Act and the establishment of new procedures and institutions should enable active participation in both the sectoral and regional planning.

At the implementation level, the actual role of regional administrative bodies is a key objective, but in addition, the identification of local economies and the implementation of local plans are at least as important. As regards the latter, the participation in the implementation is not only of great importance, but also feasible. In the sectoral planning the structure of development institutes will create options for identified priority sectors for meaningful stakeholder participation in planning and implementation. Already in the "start-up" phase of the Development Plan 2017-2021 will a start be made on a trial base with this approach, as a result of which draft legislation can be developed on the basis of empirical data and practical experience. The main risks in the implementation of this strategy include:

1. The lack of political will among:

a) **political leaders who make up part of the coalition** to share decision-making power with, or delegate such power to lower bodies and

b) **parties and / or their leaders** to compromise with other interest groups and to commit themselves.

2. The existing laws and regulations that are still centralized, but also the culture of centralism which is dominant in the "central government bureaucracy."

3. The lack of formal processes and control mechanisms for lower administrative bodies.

4. Insufficient capacity at lower levels of government

## **XII.3. Monitoring and Evaluation**

### **XII.3.1. Goal and function**

Except for projects financed by donors or special loans and some special units of the Government, monitoring and evaluation of plans, policies, programs or projects in the public sector are still in the infancy. Suriname must quickly develop the ability, through standardized reporting methods, to monitor the implementation of in any case, the development programs / projects, and conduct evaluations of different aspects of goals, implementation and results achieved. The diagram below illustrates this challenge schematically.

### Diagram XII.3.1.1 Monitoring and Evaluation

Monitoring and evaluation during and after the implementation must ensure:			
	Main goal	What	Who
1)	Good Governance	Pre-specified information is available for: - Quality management - Progress monitoring	- Policy decision makers: Government (President & Vice-President) - Parliament - Civil service leadership - Project Staff / Management - Financiers - Stakeholders
2)	Accountability/transparency	Accountability can be given as regards resources, the expenditures and the results	Idem
3)	Improving the performance in the implementation or develop and implements follow-up projects differently.	Lessons to be learned. Analysis of the monitoring and other information (different levels): - Financial - Proceedings of the (technical) implementation - Circumstances - Good, less good and bad performance - Result achieved and not achieved	Idem

However, Monitoring and Evaluation (M & E) are not isolated activities, but constitute a coherent system with different project phases: project preparation, formulation and implementation (management). As part of the **PCM**, the seamless coordination is required of information flows, methods, procedures, organizations and people involved in this process. In short, the building of an M&E capacity requires a complementary program for the project preparation and implementation phase. The effort to build the capacity within the public administration should also be put in the broader context of Public Sector Reform. Clear overlaps exist with:

1. The improvement of fiscal policy, the budget structure, modernization of the Government Accounts and procurement arrangements and the financial administration by the Government in general.
2. Increasing the efficiency and purposiveness of the government.
3. E-government.
4. Strengthening of the national statistical system, in particular ensuring that the required impact indicators of projects and policy programs are available.
5. Integration of social policy.

M&E systems have increasingly further developed in the past decades and impose specific requirements on the policy and plan formulation and project design (format). Already in single projects, the extent and the nature of the flow of information (monitoring indicators) is so large and complicated that computerization is almost inevitable. Computerization is an absolute requirement when monitoring and evaluating policies and programs, as well as the Development Plan 2017-2021. Moreover, it should also be noted that M & E has become a separate specialization discipline but is also integrated so intensely in project design and implementation and the financial records, that for all actors in the development network, knowledge of the national M & E system is a requirement.

In addition, for the evaluation of the impact of projects and programs, especially the "output to outcome" evaluation, statistical indicators are needed, derived from censuses, surveys and statistics from administrative sources. The connections to the national statistical system are therefore an essential part of setting up a national M&E system. The strategic objective is formulated as follows:

**The legally-based Surinamese Monitoring and Evaluation Institute has the technical (M&E) capacity and developed the decentralized network to monitor and evaluate the implementation and impact of the programs and projects that are part of Suriname's Vision 2035, the medium-term (five) years plans and the annual budgets of the ministries and periodically report thereon to the Government and the DNA**

The following outcomes will be further elaborated in the policy in results and action programs of the relevant ministries and institutions:

1. The legally-based Monitoring and Evaluation Institute, leads the decentralized national monitoring and manages the related processes and information systems, which constitute the information basis for the reporting to the Government and the DNA, which takes place with a defined periodicity, making it possible to timely adjust programs and projects.
2. The monitoring and Evaluation Institute is a centre of excellence that develops and records the methods and techniques for M&E with the Government, organizes training, provides assistance to ministries, regional bodies and other public entities in order to have the M&E activities run as efficiently, professionally and impartially as possible.
3. There is sufficient expertise available for the implementation of M&E activities.

### **XII.3.2. Method**

An interdepartmental group of experts, led by experts from the newly established National Planning Bureau, will develop the standard methods and procedures that should be applied uniformly across the entire public sector in formulating, implementing, monitoring and evaluating development programs and projects. This relates to standardization of formats for project identification, formulation, management procedures, power of attorney, monitoring and evaluation, since it concerns generating and providing information for one and the same information system. This system of project management information in the public sector system overlaps with the (computer) system for the financial administration of the Government introduced by the Ministry of Finance. The planned reforms of the Government Audit Office and procurement system will determine the system to be developed. In this context, the seamless integration of the software used in financial administration and the M&E software, is a mandatory requirement for success. Some basic requirements are set as regards an M&E system in the Surinamese public sector. The system should:

1. Function in a decentralized manner. Monitoring and evaluation of the policy, programs and projects are done in a decentralized manner. At each line ministry, the minister and his department leadership are responsible for the monitoring and evaluation of the programs and projects listed in the budget for that ministry.
2. M&E information is centralized at the national (autonomous) institution responsible for M&E at a national level. Given the sensitive nature of the M&E basic information, access to ministerial data sets, as well as national data sets and limited related privileges are determined by resolution of the President. Together with the approval by the competent authority, it is also determined if circulation restrictions apply to progress reports and what these are.
3. M&E takes place at:



- a) a quarterly basis, in support of project management, mobilization and supervision of financial resources.
- b) semi-annually for interim evaluation of policy and in any case the Annual Plan.
- c) Annually for evaluation within the line ministry, the annual address of the President and the Annual Plan.

As part of the formal adoption of the system for monitoring and evaluation of the programs and projects in the Surinamese public sector, a manual will be produced, containing all the required processes, procedures, standard forms and templates. This should facilitate the work and is also the basis for capacity-building, including training programs.

By the second quarter of 2017, the strategic plan and action program for the design of the M&E system will be formally approved within the Government, so that implementation can be started with.

### **XII.3.3. Institutional Framework: Legal Framework, Stakeholders and Procedures**

#### **XII.3.3.1 Formal, Political - Administrative and Plan-technical Issues**

Within the government organization the mandate has been laid down by law for the policy formulation and the implementation, monitoring and evaluation of the development programs, included in the budget approved by the Minister or the Permanent Secretary. The political responsibility for achieving the policy goals rests primarily with the minister, but this is a shared responsibility, as the Permanent Secretary is also a "policy official"<sup>64</sup>. The ministerial M&E or programming units are primarily intended to fulfil this mandate and to meet the resulting responsibilities as effectively as possible under the leadership of the ministry.

In addition to the primary task to optimize the PCM within the line ministry, the ministerial M&E units jointly constitute the decentralized component of the national M&E system, which must be regulated by law in the new planning legislation. The role and function of the ministerial M&E units in the national system are based on the following points of departure:

1. An integrated plan system with an M&E-function. The realization of the Suriname Vision 2035, the Development Plan 2017-2021, but also of the Annual Plans, require a coordinated implementation and an integrated M&E-information system. Besides the challenge to establish strong ministerial "programming units", the second challenge is to network these units, especially the M&E component.

The underlying approach is that:

a) ministerial development programs and projects constitute an integral part of the national development effort and often require the efforts of various ministries.

b) key officials in the ministries, including ministers and permanent secretaries, bear a collective responsibility for achieving the development goals.

2. Networks of strong ministerial "programming units" with an M&E function. The network is structured around two critically shared functions, allowing "all to benefit":

a) A joint information infrastructure. It involves information collection, storage, exchange and analysis (including reporting) based on standardized concepts and definitions, method, frequency, procedures, hardware and software.

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<sup>64</sup> In the Surinamese situation, there currently is no institution or body which can hold permanent secretaries responsible for political-administrative performance.

b) Joint programs for the development, maintenance and parts of the technical framework, in particular highly specialized expertise.

3. Coordination and interdepartmental approach of integrated and/or cross-cutting development issues and programs:

a) The formation of funds.

b) Project organization (where necessary).

In implementing the strategic plan and action program referred to in section XII.2, use will be made of the planning legislation, but the new planning legislation which will be submitted for approval at the end of the end of 2017, must formalize this approach, as a result of which implementation capacity of the proposed system can be optimized .

### **XII.3.3.2 Hardware and Software**

Leaving aside the necessary expertise (staff), the software and the availability of ICT infrastructure are decisive for the method, the set-up and the management of an integrated M&E system. The intimate intertwining of M&E with information management (including power of attorney) and financial administration, is the main argument for choosing the integrated software of the Ministry of Finance. The need for statistics from administrative records, as well as the issue of the required ICT infrastructure, require a seamless integration of the set-up of an M&E system and the e-government strategy and implementation program.

### **XII.3.3.3 Risks**

The risks for the successful establishment of a decentralized M&E system will be worked out in detail in the previously mentioned strategic plan and action plan for M&E. Here the following risks are mentioned, which are relevant to the decision-making already at the level of the strategic planning:

1. The political will needs to be sustained over a long period of time.
2. Compartmentalization along socio-political lines.
3. Formal processes en procedures (accountability / procurement) based on inadequate legislation and outdated legislation.
4. Poor capacity.
5. Available funding.

The decision-making on the Development Plan 2017-2021 has formally resolved these issues, in any case at the level of the Council of Ministers and the Permanent Secretaries, and this will continue to be resolved at the level of the operational planning.



**Protected Areas Legend**

- Settlements
- Water courses
- District border

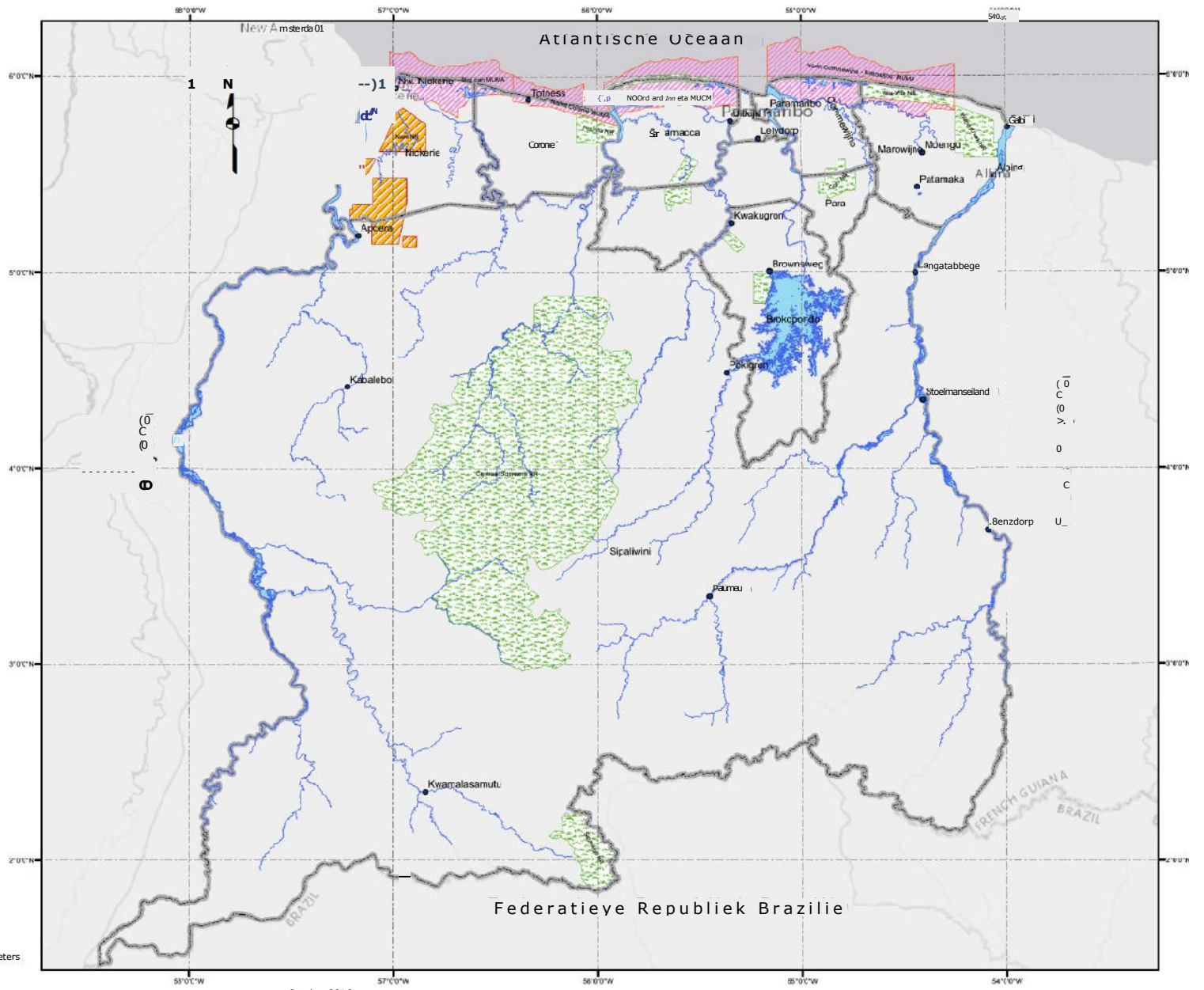
**Protected areas and STATUS**

- MUMA
- Proposed
- Protected

Source: Narena / SBB



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October 2016

Republic of Suriname



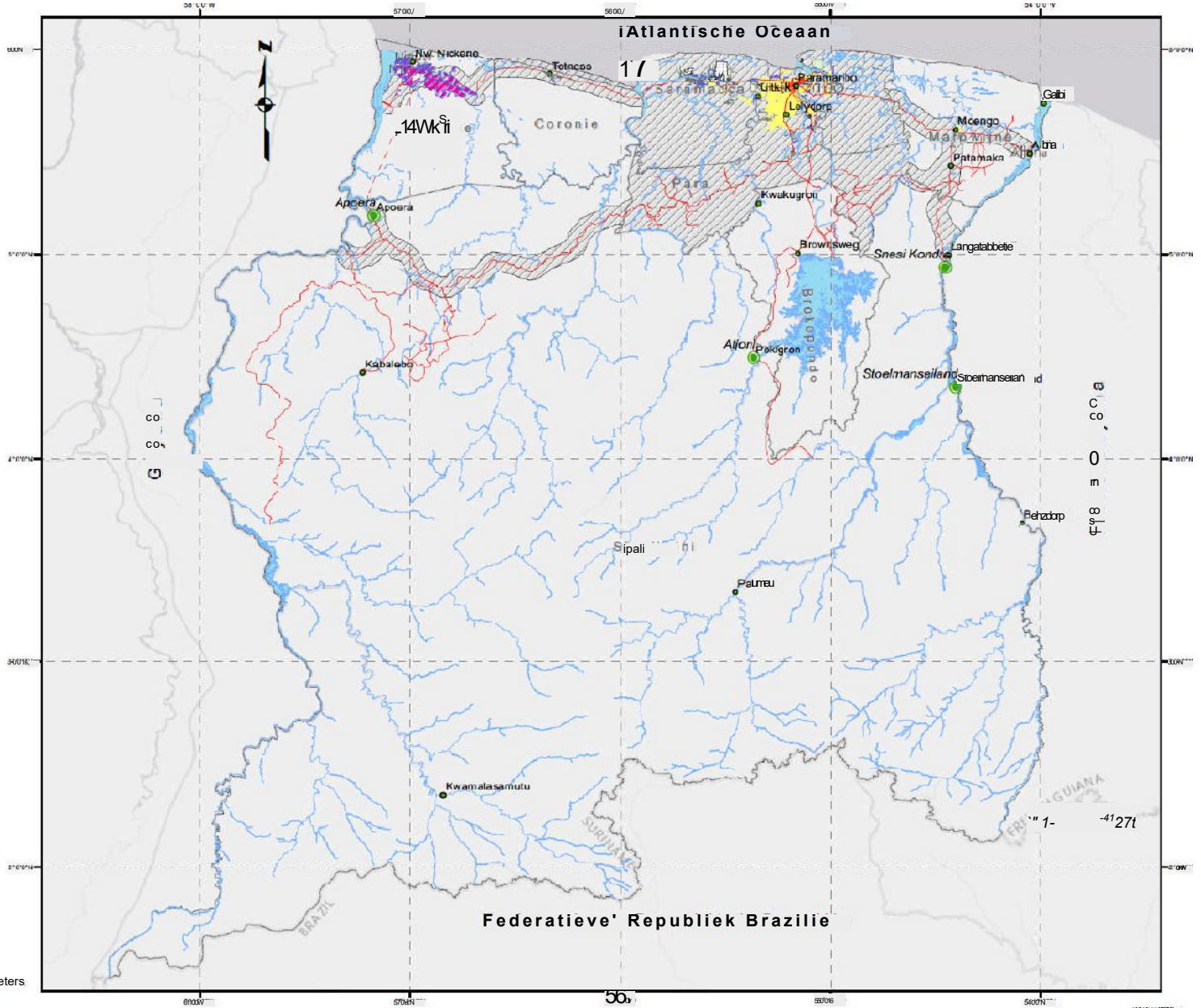
Overview Land Use Legend

- Administrative centers
- Access roads
- Settlements
- Oil exploitation
- Industrial Area
- Shifting cultivation
- District border
- Water courses
- Residential areas
- Built-up area
- Rice area
- Grassland
- Coconut area
- Banana area



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SURINAME



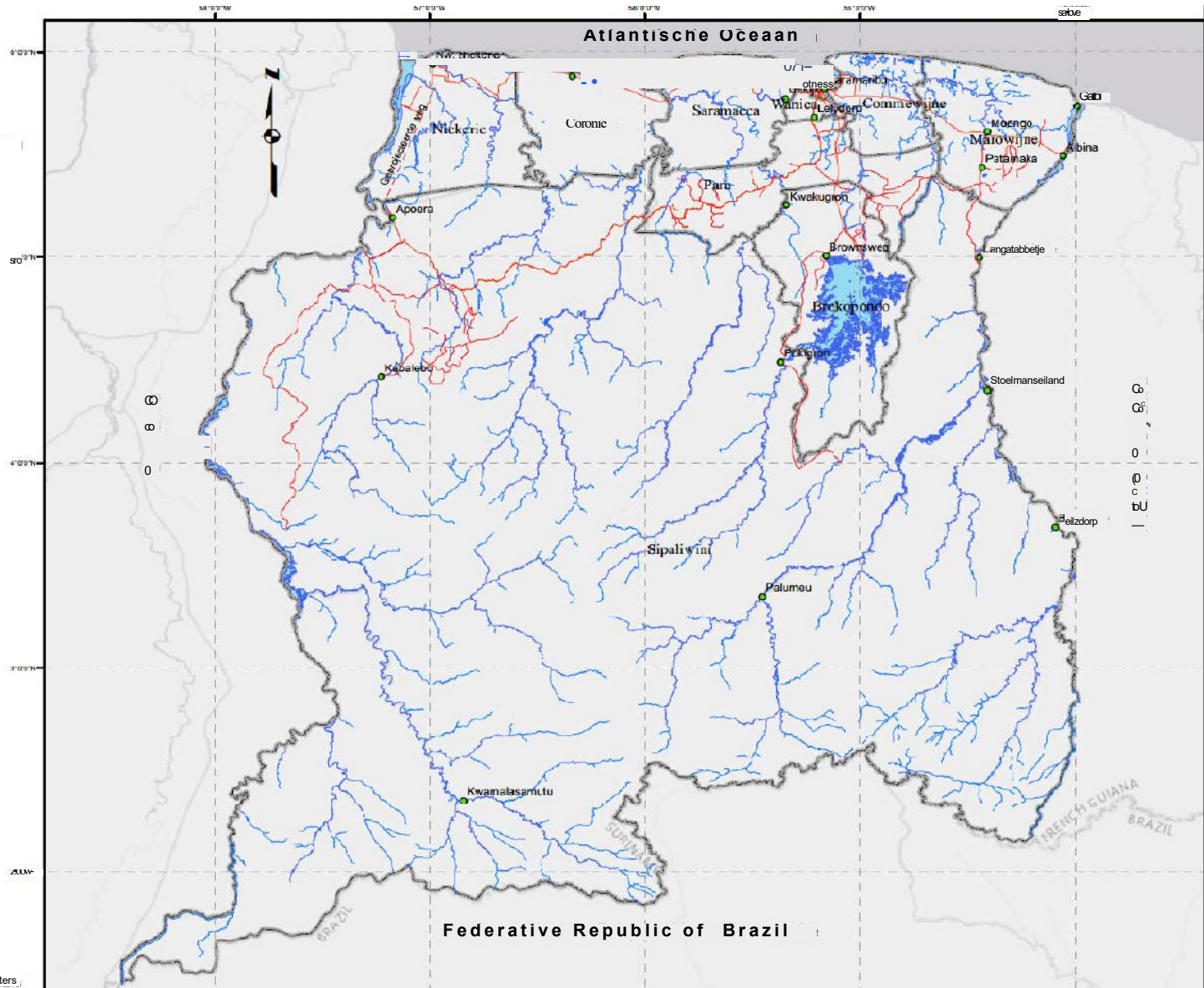
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**Overview Access roads Legend**

- Settlements
- Access roads
- District borders
- Water courses



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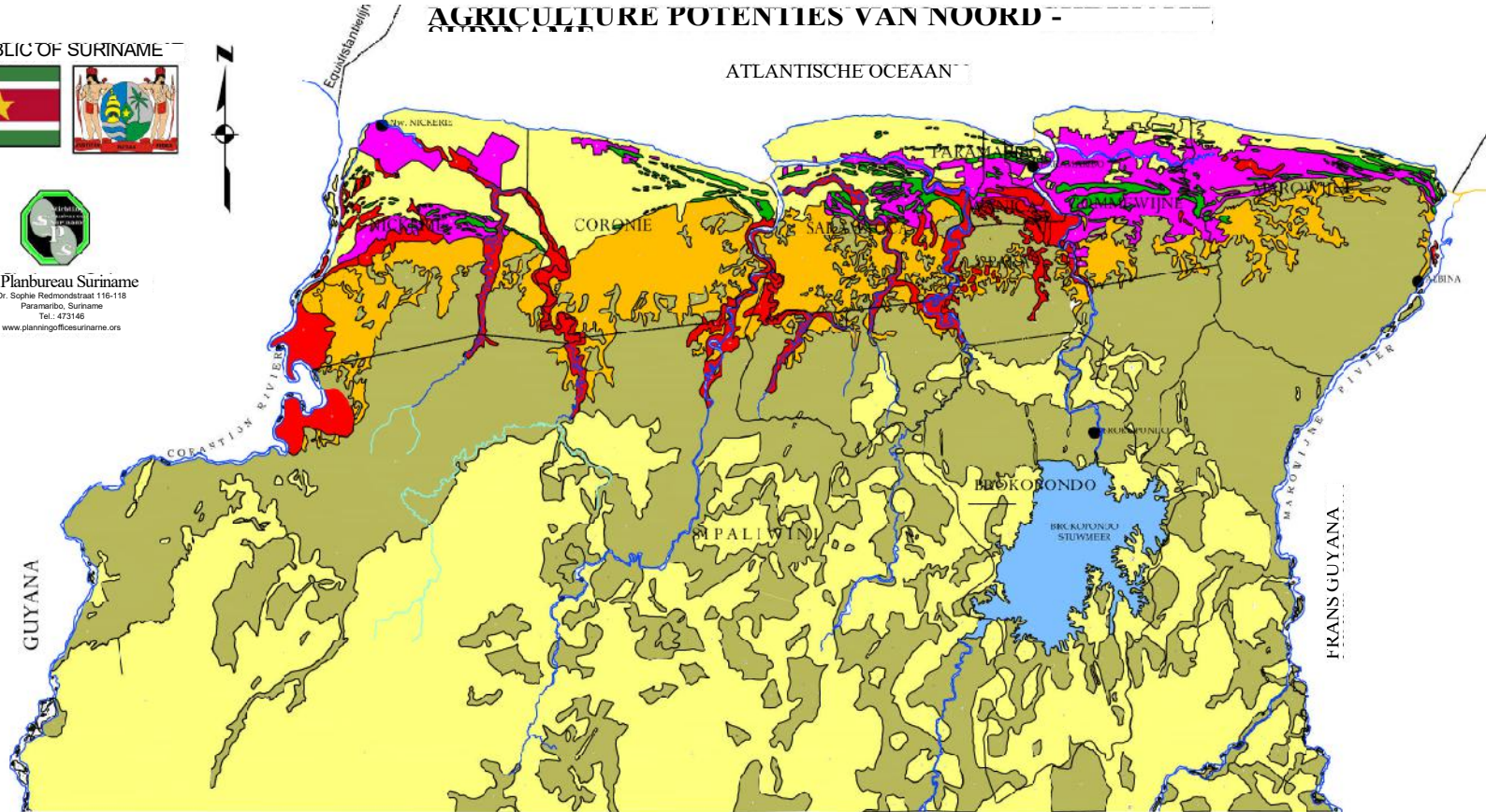
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# AGRICULTURE POTENTIES VAN NOORD -

ATLANTISCHE OCEAAN



**Legend: Agrarian Potential**

- Suitable for (horticulture) the production of vegetables like cabbage, peppers, chilli, tomato, lettuce, eggplant, and others.  
 Suitable for the production of flowers.  
 Suitable for the manual small-scale production of peanut, soybean, corn, oerdi, wandoe.
- Not suitable for the direct production
- Suitable for horticulture.  
 Suitable for the production of flowers.  
 Suitable for fruit gardens. (banana, papaya, mango, citrus, west-Indian cherry, passion fruit, tamarind, carambola, sapotille, soursop, and avocado.)  
 Suitable for coconut cultivation.  
 Suitable for grassland cultivation. (livestock mainly cattle)  
 Suitable for the production of sweet potato, cassava and yautia.

- Suitable for mechanized rice cultivation.  
 Suitable for horticulture.  
 Suitable for the production of flowers.  
 Suitable for fruit gardens. (banana, papaya, mango, citrus, west-Indian cherry, passion fruit, tamarind, carambola, sapotille, soursop, and avocado.)  
 Suitable for coconut cultivation.  
 Suitable for aquaculture.  
 Suitable for grassland cultivation. (livestock mainly cattle)
- Suitable for the production of sweet potato, cassava and yautia  
 Suitable for taquaculture.

- Suitable for mechanized production short-growing annuals such as corn, peanuts, soybean, sorgum, highland rice.  
 Sunflower, potato and mechanized sugarcane (20 to 25 m above sealeve).  
 Suitable to lay grassland for livestock (cattle) and small live stock (sheep)  
 Suitable for the production of pineapple, black and white pepper, cashew and sawari nuts (so-called Brazilian nuts)  
 Suitable for the production of coconut and palm oil.  
 Suitable for the production van ginger, yautia, cushcush, sweet potato and cassava.  
 Suitable for the production of wild flowers and medicinal plants 20 to 25 meter above sea level.



Source: SPS / Study into Agrarian Potential - Subsector Agriculture and Horticulture (part 1) October 2016

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Overview mining activities

Legend

Settlements

- District border
- Water courses
- Access roads

Building materials

Type

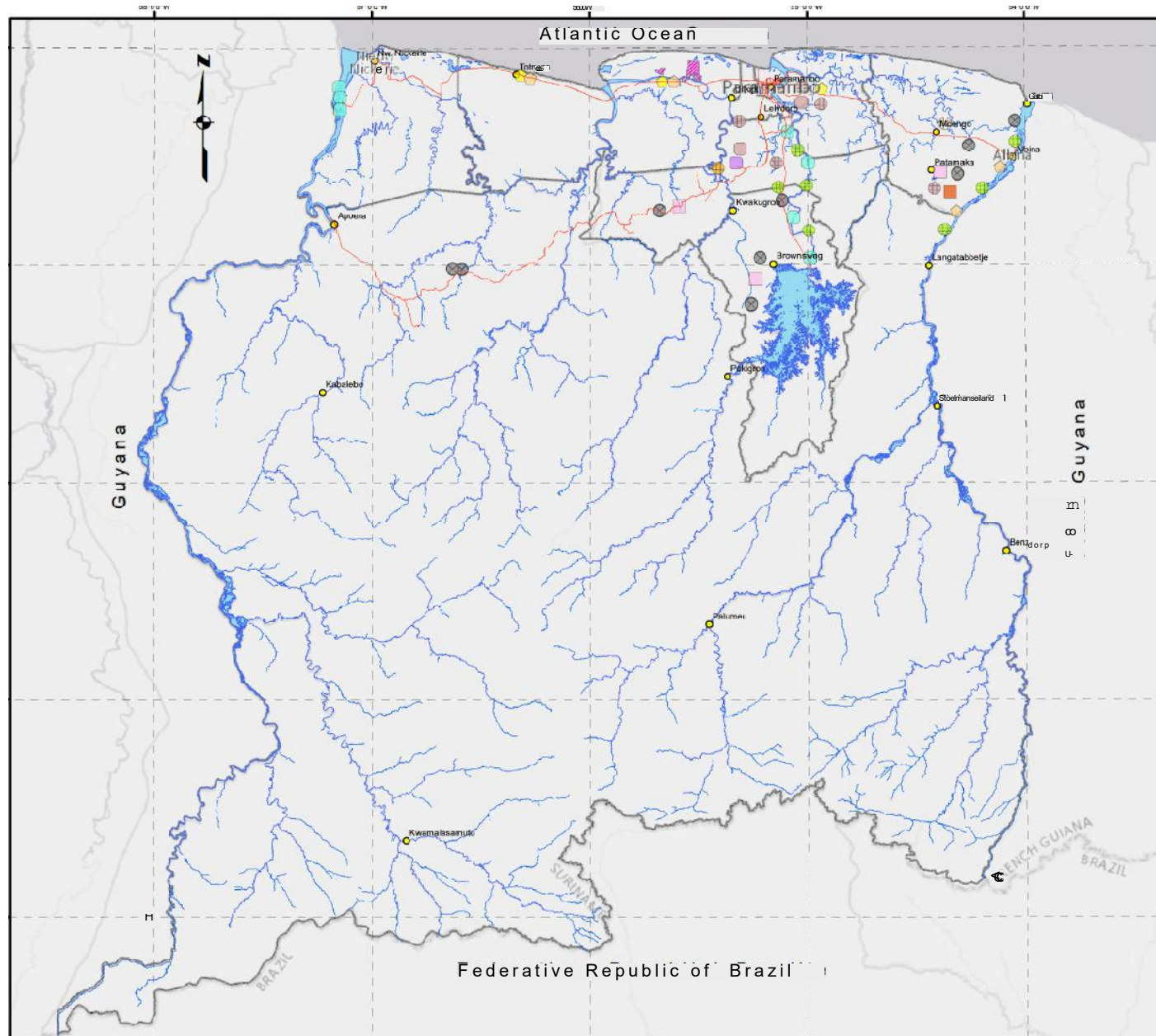
- Gravel
- Kaolin
- Clay
- Laterite
- Natural stone
- Fill sand
- 0 River sand
- 0 Savannah sand
- 0 Shell
- 0 Schell sand
- Crushed stone
- Sand
- Oil

\*Source Narena / Geological Mining Service



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0 15 30 60 90 120  
 Kilometers





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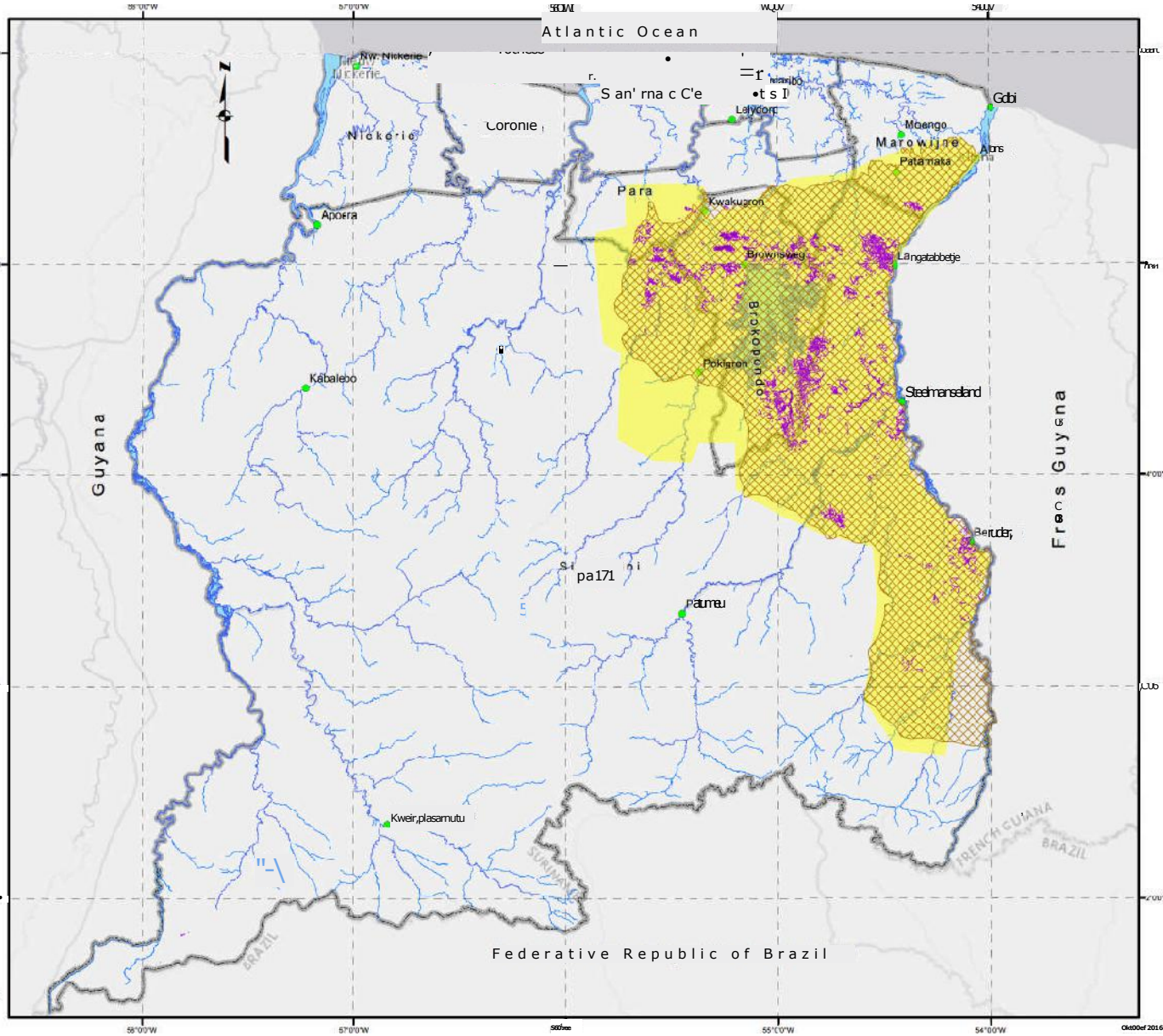


Gold mining activities

Legend

- Gold-mining
- Greenstone belt
- Gold deposits
- Settlement
- Water courses
- District border

Sources: Foundation Forest Management and Product Control /FCMU



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Kilometers



## **Statistical Annex**

